United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE *106th* CONGRESS, FIRST SESSION

Vol. 145 WASHINGTON, THURSDAY, OCTOBER 28, 1999 *No. 149*

Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Jehovah-Shalom, You have promised us peace that passes all understanding. That is the quality of the peace that we need for today. It is beyond our understanding that You can produce serenity in our souls when there is so much that is unfinished and unresolved and unforgiven in us: in our relationships, in our work, and in our society. Sometimes we even deny ourselves the calm confidence of Your peace because we are so aware of what denies Your peace in us. Take from us the strain and stress as our anxious hearts confess our need for You. Grant us Your incomprehensible but indispensable, palpable peace so we can be peacemakers. Give the Senators a fresh infusion of Your peace so that they may deal with the disagreements and discord of the legislative process. Help them to overcome problems and endure the pressures of these days. In the name of the Prince of Peace. Amen.

PLEDGE OF ALLEGIANCE

The Honorable MIKE CRAPO, a Senator from the State of Idaho, led the Pledge of Allegiance as follows:

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

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Idaho is recognized.

SCHEDULE

Mr. CRAPO. Mr. President, the Senate will be in a period of morning business until 10:30 a.m. Following morning business, the Senate will resume consideration of the pending Ashcroft amendment to H.R. 434, the African trade bill. As a reminder, there will be a cloture vote on the substitute amendment 1 hour after convening tomorrow. It is still hoped that an agreement can be reached to allow the Senate to complete action on this trade bill by the end of the week. The Senate may also consider any legislative or executive items cleared for action.

I thank my colleagues for their attention.

MORNING BUSINESS

The PRESIDENT pro tempore. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I seek recognition in morning business, and I make an inquiry of the Chair as to how much time has been allocated in morning business.

The PRESIDENT pro tempore. The Senator has 10 minutes.

Mr. DURBIN. I thank the Chair.

FINISHING THE SENATE'S BUSINESS

Mr. DURBIN. Mr. President, many people who are watching the business of Capitol Hill are curious as to the current state of affairs. We are obviously past our deadline of October 1 for a new fiscal year. We were supposed to have passed all of the appropriations or spending bills by that time. Very few Congresses ever achieve that, and this Congress did not. But most Congresses reach a point in the late days of October where we at least know the end game, we know how it is going to end, and we are merely putting paperwork together.

Well, we are not quite there yet. In fact, we are in a situation where there is great doubt about how this session will come to an end, and it is a great irony that we would be questioning how it will end in light of all the circumstances that we face. This is an extraordinarily good time for America in terms of the state of our economy, its growth, the creation of jobs, keeping inflation under control, and giving businesses opportunities to start and expand. All of these things are good signs. In fact, we are generating enough money now in terms of revenues to the Federal Government that we have gone beyond the era of deficits and have now started talking about the era of surpluses.

It was a little over 2 years ago that we were fixated in this Chamber on passing a constitutional amendment to balance the budget. There were some Members of the Senate who had literally given up hope that the Senate could meet its own responsibility, and they insisted that a constitutional amendment be passed to give the Federal courts the authority to enforce the law and stop Congress from spending. That is how desperate many of these Members of the Senate were in terms of the deficit situation.

Well, things have changed dramatically; 2½ years later we now seem to be at an impasse over a surplus, not over a deficit. That amendment did not pass. It lost by one vote. I voted against it and would do it again. Now we are talking about surpluses and what to do with them.

The interesting thing about this debate, though, is we are not focusing on individual appropriations bills but really keep returning to a subject that has been around since 1935, because it was in 1935 that Franklin Roosevelt showed the vision and the political courage to create Social Security. In creating the Social Security system, he really said that we were going to do something dramatic to make sure our parents and grandparents could live in dignity when they reached retirement age. Some people, primarily from the other side of the aisle, called it socialism. They said, no, we aren't going to go along with ''New Deal'' politics creating these massive government programs. This same Republican voice was

heard time and again for decades over the creation of Social Security; that it was a bad idea; it was socialism; it was too much government.

Yet the program endured. Thank goodness it did because it changed the lives of Americans for the better and gave us hope that in our senior years, in our years of retirement, we could be independent and live in dignity. Look at what we have today—so many healthy, vibrant seniors leading great lives, knowing they have a safety net called Social Security in which they have invested through all of their work experience. It is not enough to lead a luxurious life by far, but it certainly gives people that safety net, and they are glad they have it.

We are debating about what to do with Social Security as we end this session. It is a principal source of retirement income for two-thirds of the elderly. Listen to these statistics: In 1959, 40 years ago, the poverty rate for senior citizens was 35 percent, one out of three. In 1998, it was 10.5 percent, the lowest on record. Last year, Social Security benefits lifted roughly 15 million senior citizens out of poverty.

That is what it means. It means people who would not be able to make it can make it, at least barely make it, if they are relying on Social Security. It is more than just a retirement program because one out of five people who receive benefits under Social Security are either disabled, mentally or physically, or they are the survivors of those who paid into the system.

We on the Democratic side have for years advocated the protection of Social Security. In that debate I mentioned earlier about a balanced budget amendment, we offered an amendment on our side and said we did not want the budget to be balanced by using the Social Security trust fund. Well, we offered that amendment and only two Republican Senators voted for it. When we tried to protect the Social Security trust fund from being raided as part of that constitutional amendment, only two Republican Senators would join us and we were not successful.

Now we have this whole question about whether or not we are currently spending the Social Security trust fund. There have been ads run by political parties saying this fund should be held sacred and it should not be touched. Yet when we look at the record, the Congressional Budget Office tells us, as of a month ago the Republican appropriations bills already use $18 billion of the Social Security surplus. This estimate assumed appropriations bills already enacted or those in accordance with the then-current status in the House of Representatives. Since September 29, the use of the Social Security surplus has grown.

I think that is a challenge to some of the advertising being put on television by the other side of the aisle. The facts do not back them up. Republicans have talked about protecting Social Security, but, frankly, they have not. They have used $18 billion of the Social Security trust fund so far.

They do not want to talk about a program which a few months ago was their pride and joy, the so-called Republican tax cut; a $792 billion tax cut, the vast bulk of which went to the wealthiest people in this country. That tax cut idea went over like a lead balloon. People across America said: Why in the world do you want to talk about a tax cut when we have a national debt we should be concerned about, when we have the future of Social Security we should be concerned about, when we have Medicare we are concerned about? Why do you want to talk about a tax cut primarily for wealthy people?

If you remember the Republicans went out in August and said we are going to take our case to the people. They came back after the August recess and said: We are going to close the books on this case. The people aren't interested. We will talk about it next year.

The American people were interested enough to take a look at and reject this Republican tax cut, and it is a good thing they did for the sake of Social Security. Estimates suggest that some $83 billion would have had to come out of the Social Security trust fund to pay for the Republican tax cut package for wealthy people. That was not going to fly. The American people let the Republican leadership know that and they dropped their tax cut plan from their agenda and came back and said instead we are dedicated to protecting Social Security.

Let me tell you, the President has the right idea when it comes to the solvency of the Social Security trust fund. He wants to make sure we lock away that trust fund so it cannot be raided and so we can say to future generations: Social Security is not only solvent to the year 2032 or 2034, but beyond. I think he is on the right track.

The President's Social Security lockbox ensures another generation can receive benefits from this important program. It locks away interest savings for Social Security. It transfers interest savings to the Social Security trust fund. It extends the solvency of the Social Security system to the year 2050.

One other point that bears mentioning, we must address the needs of the future of Medicare. Time and again, the debate on this floor has ignored the Medicare Program. Medicare is the health insurance program for seniors and disabled that, frankly, needs attention at this moment more than any other program. It will be insolvent by the year 2015. Yet precious little is said or done in the debates on Capitol Hill to address the needs of the Medicare system.

The Medicare trust fund will go bankrupt in 2015. To make matters worse, the strains in the system will continue to increase as the baby boom generation retires, with the number of Medicare-eligible seniors expected to double to almost 80 million within a few decades. We have proposed, on the Democrat side, to lock away part of our surplus that we see coming in the years ahead to extend the life of Medicare for an additional 12 years. Not only would this extend the solvency of the system and the program, it would eliminate the need for future excessive cuts in medical care. Medicare is the critical other half of the equation that the Republicans continue to ignore.

Democrats are determined to make sure that, as Speaker Gingrich once said, Medicare does not ''wither on the vine.'' We want to make sure this system continues and survives.

I see my colleague from Massachusetts, Senator KENNEDY, on the floor. I will yield to him in morning business and close by saying, as we come to the end of this congressional session, families across America have the right and responsibility to hold this Congress accountable; to ask us the hard questions. What have we done under our stewardship to make life better in America during the course of this year?

Did we pass campaign finance reform to clean up the mess in our campaign election system? I am afraid the answer is no, we did not. It broke down on partisan lines. Even though we had 55 Republican and Democratic Senators who were determined to pass it, 45 Republican Senators opposed it and it died.

Did we pass Senator KENNEDY's minimum wage increase so we go from $5.15 an hour to a more livable wage for the 350,000 people in Illinois who get up every morning and go to work for $5.15 an hour? The answer, sadly, is no, we did not pass an increase in the minimum wage.

What did we do for the people who are concerned about their managed care, their health insurance, when they want their doctors to make the decisions and not the insurance company bureaucrats; when they don't want to turn over a life-or-death decision to somebody at the end of a telephone line who may have a high school diploma and no knowledge of medicine? Did we do something to stand up for patients? Sadly, the answer is no. The special interests, the insurance industry, prevailed in this Chamber. They killed the good legislation we were trying to pass. Sadly, that means the American people have lost out.

What have we done for education, to reduce class size? When I visit a classroom in Wheaton, IL, with 16 kids in the first grade and the teacher says: Senator, this Federal program works. I can give special attention to these kids. If they are falling behind I can help them. If they are gifted, I can give them something extra to do. Keep the class size initiative on track.

What have we done? We are in a bitter fight now as to whether we will even continue that program.

Sadly, as you look at all the issues, whether it is sensible gun control in light of the violence in schools such as

Columbine, or whether you look at minimum wage or campaign finance reform or the Patients' Bill of Rights, this Congress is going to go home emptyhanded. We have failed the American people. They should hold the leadership in this Congress accountable for coming here, drawing their paychecks, punching the clock for their pensions, and going home without addressing issues that American families care about.

So I hope in the closing days of this session we can salvage something for the time we have spent in Washington. I hope as we start the next session, the next round, the Republican leadership will finally listen to the people across America who want us to act in their interests, not for the special interests. Time and time again, families have lost and special interests have won and that is not what this Senate should be about.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the time until 10 a.m. is under the control of the Senator from Illinois.

Mr. DURBIN. I yield all remaining time to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I thank my friend and colleague from Illinois. I must say, he has summarized the situation as we are drawing to the end of this part of the Congress very well. There is still some time for this do nothing Congress to mend its ways—if there were a disposition to make some progress, there is still some time to do so.

But I think it is important, as we come to the end of this session, to take stock of what has been achieved and has not been achieved. My friend from Illinois has done an excellent job summarizing those issues. I would like to provide some additional comments on some of the matters he raised.

First of all, as the Senator from Illinois and others have pointed out in these last days, we are still failing to meet our responsibilities to those 11 million Americans who earn the minimum wage. In many instances these are the hardest-working laborers in our economy, but they are on the bottom rung of the economic ladder—and this, during the most extraordinary prosperity in the history of this country. There has been an incredible accumulation of wealth that has taken place over the period of the last 5, 6, 7 years. As a direct result of the leadership of President Clinton and the Democratic Members of Congress, and despite the opposition of nearly every single Republican Member, we are in the midst of the greatest economic growth in the history of the country. We have even found the will to raise our own salaries some $4,600 a year. But the Republicans are now holding a minimum wage increase hostage to $35 billion in new tax breaks for the wealthiest Americans.

All we are asking is that we have at least the opportunity to bring this matter before the Senate and permit a vote on it. It does not take too much time—Members know this issue. But under the parliamentary situation that we find ourselves in now, the leadership—the Republican leadership—is denying us the opportunity to do so. This is the seventh time that technique has been used this year. Do we think the purpose of it is to open and broaden debate and discussion on matters before the American people? No, it is to narrow and close down the opportunity for debate and discussion.

So, when we look where we are as a country, from 1965 up to the year 2000, this line reflects what the purchasing power of the minimum wage would be with constant dollars of 1998. Here we find back in 1965 all the way up to the early 1980s, we actually found Republicans and Democrats alike working together to make sure that working Americans could earn a livable wage.

Then there was a period during the Reagan administration, starting in 1980 and going right through 1988, when we had a great deal of resistance in getting any increase. We had one increase in the minimum wage and another spike again in 1995.

But if we do not take action by the year 2001, the purchasing power of the minimum wage will be at an all-time low. And still we are denied an opportunity to bring this matter before the Senate.

Eighty-five percent of the American people favor increasing the minimum wage, and the opposition refuses to even debate it. The two old arguments they have used against increasing the minimum wage are that it will cause a loss of jobs and that it will add to inflation. Those tired old arguments have long since been discredited.

We know that when there has been an actual increase, again, in October 1996 and October 1997, the employment levels have continued to go up. There is absolutely no case that can be made that this will lose jobs.

Our proposal is modest, a one dollar increase in two installments—50 cents next January, and 50 cents the following year—to provide a lifeline to so many who are working so hard in our country. We know who the workers earning the minimum wage are. They are assistant schoolteachers who work in our children's classrooms. They are assistants in nursing homes caring for our family members.

This is a women's issue because the overwhelming majority of individuals who work at minimum wage are women.

This is a children's issue because eighty-five percent of the women who are receiving minimum wage have children.

It is a civil rights issue because many of those involved in making the minimum wage are men and women of color.

Most of all, it is a fairness issue. How can we justify raising our own salaries $4,600 a year and refuse to provide a $1 increase over 2 years for men and women who go out every single day, 40 hours a week, 52 weeks a year?

This is absolutely unfair. Americans understand fairness, they understand work, they understand fair play, and the Republican leadership is denying the American workers fair play on this issue.

I want to mention another important issue which we hope to address in the final days of the Senate, and that is the issue of the Patients' Bill of Rights, a very simple piece of legislation that says doctors—not accountants—ought to be making decisions in matters affecting the health of our families.

The protections contained in the Norwood-Dingell managed care reform bill which passed in the House of Representatives three weeks ago by an overwhelming bipartisan majority of 275–151, have been recommended by the broad-based and nonpartisan Presidents' Commission. They are included in the model standards of the National Association of Insurance Commissioners. These protections are already available under Medicare. They are used as voluntary standards by the managed care companies' own trade associations. They are the rights that ethical insurance companies honor as a matter of course, and that every family believes it has purchased when it pays its premiums.

These protections listed on this chart are the ones we tried to guarantee to the consumers of America. That essentially is the Democratic proposal we debated in the Senate. These circles indicate what the Senate finally did on these protections. My colleagues can see they are zero in most of the cases, and small coloring in other cases, which means they took a partial fix on some of these protections. And my colleagues can see what the bipartisan Republican and Democratic proposal did in the House of Representatives.

We are prepared to bring that House bill before the Senate and debate it for a few hours, pass it, and provide protections for the American people. We do not need a conference. The President will sign it. Why don't we move ahead on this? This has bipartisan support. This has already been debated and it had the overwhelming support of 68 Republican Members in the House of Representatives.

Why are we not protecting the American people? Why are we being denied the opportunity to provide protections? If there is some question as to whether we really are providing protections, look at what is happening across the country every single day. Every single day the Congress delays the Patients' Bill of Rights means more patients are suffering.

Each day that Congress delays means that more patients will suffer and die. According to a survey by the University of California at Berkeley, every day we delay means that 35,000 patients

will find their access to needed care delayed. Thirty-one thousand will be forced to change doctors. Eighteen thousand will be forced to forego medications ordered by their doctor. Fifty-nine thousand will endure unnecessary pain and suffering as the result of adverse actions by their health plan. And 11,000 will suffer permanent disability.

The health professionals who deal with managed care companies every day know that prompt action is critical. According to a survey of physicians by the Harvard University School of Public Health, every week at least 18,000 patients' medical condition worsens because they are denied an overnight stay in a hospital. At least twenty-three thousand patients are harmed every week because of the denial of specialty care. Each week, at least seventy-nine thousand patients are harmed because of denial of needed prescription drugs. The list goes on and on.

Mr. DURBIN. Will the Senator yield?

Mr. KENNEDY. I yield for a question.

Mr. DURBIN. I would like the Senator from Massachusetts to help those following the debate to understand who lines up on the different sides of this debate.

The Senator has been here through many of these legislative battles. He knows there are forces at work that want to pass a bipartisan Patients' Bill of Rights to help families, and there are forces against. Will the Senator, for the record, tell us how those forces line up?

Mr. KENNEDY. That is an excellent question. As the Senator from Illinois understands, these protections did not just come out of thin air. They were recommended. Recommended by whom? Virtually every medical society in the country supports our program. During this debate, we challenged the other side to produce one medical society that supported their program. We still have not heard it.

Every medical society supports our program. Every nursing society supports our program. Every consumer group supports our program. Every patient organization supports our program. Every one of the consumer groups that have been trying to protect children understands the importance of getting specialists for children; not just a pediatrician, but a pediatrician oncologist to deal with cancer in children and specialists in these areas. We guarantee these. This Republican program does not.

We have the legislative power of this body to pass something which the President will sign to provide the patient protections we are talking about. All the majority leader has to do is call up that legislation. Just call it up. Let us debate it, and let us act.

Mr. DURBIN. Will the Senator yield for a question?

Mr. KENNEDY. I yield for a question.

Mr. DURBIN. If every medical organization—doctors, nurses, specialists—has come down in favor of this bipartisan approach, who is on the other side of this? What is the force that is stopping us from passing this legislation?

Mr. KENNEDY. The Senator again has asked the important question. It is the insurance industry. You have on the one hand, as suggested by the two questions the Senator asked, all of the health professionals, all of the men and women who have devoted their lives to taking care of patients in this country, the doctors, the nurses, all of the various professional societies, all the consumer groups, all the children's organizations that care about this, all the elderly groups. And on the other side you have the insurance industry that is opposed to it. The basic reason for that is that it cuts into their bottom line—even though they have guaranteed the kinds of protections we are talking about.

What we are trying to do is make sure the patients are going to get the kind of coverage and the kind of attention for which they had signed up. What happens in so many of these instances is the HMO, the policyholder, just will not give what their patients are guaranteed in these areas. And with all the other complexities in terms of denying the patients the opportunity to sue the HMO, we are denied an opportunity for remedy as well.

There is rarely a public policy question that is as important as this one. We know what can be done. We have good legislation, that is almost at the door of the Senate, that could be called up. I am sure the Senator from Illinois would agree with me, and we could get that done today. Certainly we could do that, and the minimum wage as well.

I see my time has just about expired, but I want to try to go through, briefly, some of these other areas where we have failed to take action. These are the kind of issues about which people talk to us. This is the kind of issue about which families are concerned—the minimum wage, a Patients' Bill of Rights. When I was in Methuen this past Monday, I must have had four different senior citizens come up to me and say: What's happening on that prescription drug proposal that the President is supporting—that so many of us are supporting? Try to get that up and get a debate, get that reported out of the Finance Committee and reported out here on the Senate floor. Please do something about prescription drugs.

But we aren't able to get anything done on that. We aren't able to get anything done on the Patients' Bill of Rights. We have a Republican leader who said that ''House-Senate conferences on other legislation have a higher priority'' than consideration of the Patients' Bill of Rights. So this thing is just being kicked on over to next year. That may be satisfactory to some of the insurance companies. That may be satisfactory to some of the Republican leadership. But it is not satisfactory to the families in this country.

In the final few moments, I want to once again mention the areas of education which we would have hopefully had some opportunity to address with greater time.

In recent years, too many in Congress have paid lip-service to education—and then failed to act to meet the most basic needs of the Nation's schools. This Congress faces a major test in the coming days, as we seek to guarantee that education receives the funds it deserves for the coming fiscal year. If we want a better and stronger America tomorrow, we must invest more in education today.

Mr. DURBIN. Will the Senator from Massachusetts yield for a question?

Mr. KENNEDY. Yes.

Mr. DURBIN. The debate then on the President's proposal for 100,000 teachers to reduce classroom size, so that teachers can give more attention to the students, really is kind of a parallel to the 100,000 COPS Program.

The PRESIDING OFFICER (Mr. GRAMS). The Senator's time has expired.

Mr. DURBIN. I ask unanimous consent that we be allowed to continue for 3 minutes and it not be charged against the Republican side.

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

Mr. DURBIN. If I might, then, say to the Senator from Massachusetts, the President's program for 100,000 cops has given the money directly to the police departments and the communities to put more cops on the beat. We have seen the crime rate coming down in America, partially because of this. Now we have the same debate about the money going directly to the schools so they can reduce class size. And there is resistance, again, from the Republican side of the aisle.

Have we not learned any lesson from the 100,000 cops, that if the money goes directly to the problem, we can get results?

Mr. KENNEDY. The Senator has given an excellent example about programs that have been successful. And we know these programs are working, as the Senator has pointed out.

Communities do not understand why, just a year ago, we joined hands to help them reduce class size—yet we are on the verge of abandoning our commitment now.

Research has documented what parents and teachers have always known—smaller classes improve student achievement. In small classes, students receive more individual attention and instruction. Students with learning disabilities have those disabilities identified earlier, and their needs can be met without placing them in costly special education. In small classes, teachers are better able to maintain discipline. Parents and teachers can work together more effectively to support children's education.

Project STAR studied 7,000 students in 80 schools in Tennessee. Students in small classes performed better than students in large classes in each grade from kindergarten through third grade.

Follow-up studies show that students from small classes enrolled in more college-bound courses, had higher grade-point averages, had fewer discipline problems, and were less likely to drop out of school.

Because of the Class Size Reduction Act, 1.7 million children are benefiting from smaller classes this year. 29,000 teachers have been hired. 1,247 are teaching in the first grade, reducing class sizes from 23 to 17. 6,670 are teaching in the second grade, reducing class size from 23 to 18. 6,960 are teaching in the third grade, reducing class size from 24 to 18. 2,900 are in other grades, K–12, 290 special education teachers have been hired.

The program is well under way. Abandoning our commitment to help communities reduce class sizes would break a specific promise made by Congress only 1 year ago. It would also be a violation of our responsibility to support a strong Federal-State-local partnership in education. Congress cannot abdicate this responsibility.

We must also ensure that teachers get the training they need to come to school ready to teach. Teacher Quality Enhancement Grants are an important step in addressing the critical national need for high-quality teachers. It received strong bipartisan support in the reauthorization of the Higher Education Act, and Congress should fund it at the full authorization level of $300 million for next year.

Children need and deserve a good education in order to succeed in life. But they cannot obtain that education if school roofs are falling down around them, if sewage is backing up because of faulty plumbing—asbestos in flaking off the walls and ceilings—schools lack computers and modern technology—and if classrooms are overcrowded.

We need to invest more to help States and communities rebuild crumbling schools, modernize decrepit buildings, and expand facilities to accommodate reduced class sizes. Sending children to dilapidated, overcrowded schools sends an unacceptable message to these children. It tells them they don't matter. No CEO would tolerate a leaky ceiling in the board room, and no teacher should have to tolerate it in the classroom. We need to do all we can to ensure that children are learning in safe, modern school buildings.

Nearly one third of all public schools are more than 50 years old. Fourteen million children in a third of the Nation's schools are learning in substandard buildings. The problem of ailing school buildings is not the problem of the inner city alone. It exists in almost every community, urban, rural, or suburban.

In addition to modernizing and renovating dilapidated schools, communities need to build new schools in order to keep pace with rising enrollments and to reduce class sizes. Elementary and secondary school enrollment has reached an all-time high again this year of 53 million students, and will continue to grow.

The Department of Education estimates that 2,400 new public schools will be needed by 2003, just to accommodate rising enrollments. The General Accounting Office estimates that it will cost communities $112 billion to repair and modernize the Nation's schools. Congress should lend a helping hand, and do all we can to help schools and communities across the country meet this challenge.

Finally, in June with the support of over 250 groups representing the disability community, health care providers, and the business community, the Senate passed landmark legislation 99–0 to open the workplace doors for disabled people in communities across this country. Last week, the House of Representatives passed this legislation by a vote of 412–9. Once this measure is enacted into law, large numbers of people with disabilities will have the opportunity to fulfill their hopes and dreams of living independent and productive lives.

But despite the overwhelming bipartisan support for the Work Incentives Improvement Act, the House of Representatives has yet to appoint conferees to move enactment of this bill forward.

A decade ago, when we enacted the Americans with Disabilities Act, we promised our disabled fellow citizens a new and better life, in which disability would no longer end the American dream. Too often, for too many Americans, that promise has been unfulfilled. The Work Incentives Improvement Act will dramatically strengthen the fulfillment of that promise.

We know that millions of disabled men and women in this country want to work and are able to work. But the Republican Leadership in the House continues to deny these citizens the opportunity to work be refusing to appoint conferees and move this bill forward. Every day this legislation is delayed is another day the nation is denied the talents and the contributions of disabled Americans.

Current laws are an anachronism. Modern medicine and modern technology are making it easier than ever before for disabled persons to have productive lives and careers. Yet current laws are often a greater obstacle to that goal than the disability itself. It's ridiculous that we punish disable persons who dare to take a job by penalizing them financially, by taking away their health insurance lifeline, and by placing these unfair obstacles in their path.

Eliminating these barriers to work will help disabled Americans to achieve self-sufficiency. We are a better and stronger and fairer country when we open the door of opportunity to all Americans, and enable them to be equal partners in the American dream. For millions of Americans with disabilities, this bill is a declaration of independence that can make the American dream come true.

For far too long, disabled Americans have been left out and left behind. It is time for Congress to stop stalling this legislation, and take the long overdue action to correct the injustices they are unfairly suffering.

The issues I have discussed today—a fair wage, health care, education, employment for the disabled, freedom from hate crimes—touch the lives of every American. If this Congress wants to make a difference for our constituents—to improve their lives and to ease their burdens—these are major issues we must address.

I thank the Chair and thank the Senator from Maine for her indulgence.

Ms. COLLINS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Ms. COLLINS. Mr. President, I yield myself as much time as I may consume from the time reserved for Senator THOMAS.

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

PRACTICES OF SWEEPSTAKES COMPANIES

Ms. COLLINS. Mr. President, earlier this year the Permanent Subcommittee on Investigations, which I chair, undertook an extensive investigation of the practices of sweepstakes companies. We held hearings in March and later in the year to examine the increasingly deceptive and aggressive marketing techniques used by many of the sweepstakes companies in this country.

At these hearings, I was told repeatedly by these companies that they did not target the elderly, they did not use deceptive techniques to try to induce people to buy products they didn't really need or want, and that they were constantly reviewing their promotional language to make sure it was fair. They pledged to further improve their efforts to make sure their mailings were not deceptive.

Recently, my constituents have sent me a number of examples of deceptive sweepstakes mailings. I tell my colleagues, they are just as deceptive as ever. I have seen absolutely no voluntary improvement by the sweepstakes industry, despite the extensive attention given to their deceptive practices.

Let me share with the Senate some of the recent examples my constituents have sent me. This example is from Charles M. Sias of Bangor, ME. Mr. Sias happens to be the head of the local AARP chapter, and he recently arranged for me to talk to a group of senior citizens in the Bangor area about sweepstakes. We developed a list of tips

for them to be able to identify deceptive mailings. It is particularly ironic that Mr. Sias is himself receiving mailings that are clearly deceptive. He is very aware of what to look out for, so he is not going to be deceived by the language of these mailings. But, unfortunately, that is not the case with many other consumers who are inundated with mailings of this sort.

Take a look at this mailing. It says, in very large print: The judges have decided: Charles M. Sias of Bangor is our $833,337 winner. And then: We will update our official winners list so that it reads—again, it lists Mr. Sias' name. Urgent: Mail back your prize number within 5 days. In the corner: This is your exclusive prize claim number—giving the appearance that Mr. Sias has already won.

This particular mailing comes from a division of Time, Inc., known as Guaranteed & Bonded. It is very similar to the kinds of deceptive mailings we have seen during the past year.

A representative of Time, Inc., testified at our hearings. She testified that this kind of mailing is fair but assured us they were continuing to evaluate the copy in their mailings and they were trying to improve it so there would be no question.

This is a recent solicitation, and it is just as deceptive as previous ones. I think it is very disappointing to once again see the use of very large, bold headlines declaring that one of my constituents is the winner of more than $833,000 when obviously his chances of winning are less than his chances of being struck by lightning.

Let me give another example provided to me by one of my constituents. In some ways, this letter from Publishers Clearing House, another one of the major sweepstakes companies, is even more insidious. It was personally addressed to the woman who sent it to me. It says: These are the certified cash winner documents we alerted you to watch for.

The use of the words ''certified cash winner'' creates the image that my constituent has won a great deal of money. But this goes beyond the other mailing. The $100,000 figure appears to have been personally crossed out. On the side, it says it is now $200,000 my constituent is going to win, and it appears a woman named Dorothy, whom we know to be an employee of Publishers Clearing House, has written a personal note to my constituent, to this woman who lives in Portland, ME, and has written: ''$200,000—see enclosed urgent notification for details,''—once again, creating the impression that my constituent is going to win not $100,000 but now $200,000. It is her lucky day.

Again, if we look at the small print, we find that, in fact, the vast majority of people responding to this solicitation will receive just $1. It is extremely misleading.

To add to the deception, Publishers Clearinghouse includes what appears to be a check of some sort. They call it a claim voucher. It is made out to my constituent. I have blocked out her name to protect her privacy. It appears to be personally signed in blue ink by the treasurer and by Dorothy Addeo, and it says: Cash value up to $100,000—although we know from Dorothy's helpful little note that it actually may be $200,000.

My point is that this is clearly intended to deceive the people who are receiving these solicitations. The intent is to part people from their money, to get them to buy merchandise they don't really need or want, in the mistaken belief that somehow making a purchase will either guarantee they will be a winner or at least increase the odds of their winning that great prize, those hundreds of thousands of dollars.

There is another harm that is done beyond the financial waste of senior citizens and others wasting their money buying products they don't really need or want. That is the injury that is done to a senior citizen's dignity when they realize they have been duped by these highly deceptive mailings.

I recently received a letter from one of my constituents which I will share with my colleagues. It shows how tragic some of the results are of these sweepstakes. We found seniors who have wasted $10,000, $20,000, $60,000 on sweepstakes, thinking it would help them win the grand prize. In some cases, they have squandered their Social Security checks and even borrowed money. As I said, there is also the injury to a person's dignity once they realize they have been fooled.

This letter captures that part of the problem. My constituent writes to Reader's Digest in this case:

> Several days ago my father received your ''announcement'' that he had been nominated to fill ''your newest position'' on the ''exclusive Winners Advisory Board.'' With its official looking certificates and ''personal'' Internal Selection Record you had him convinced that he was indeed being asked to serve in some official, though honorary capacity. When he realized that this was another sweepstakes gimmick, and that he was no more special to you than the thousands of others who received this same ''special'' announcement, he was devastated.
>
> My father shared your ''announcement'' with me because he was proud that he was being recognized by a company he has supported for many, many years. What a cruel game you have played with a man who has truly been a good customer. What a cruel game you play with every person who received this same, or similar letter, and who, like my father, are vulnerable because they believe the best about people.

I think my constituent has described the problem very eloquently. These kinds of deceptive mailings prey on people who believe what they read, who want to trust that they are not being misled.

Mr. President, on August 2, the Senate unanimously approved legislation that I, Senator LEVIN, Senator COCHRAN, Senator EDWARDS, and many others have worked on, which would curtail these kinds of deceptive sweepstakes mailings.

I want to thank the Chairman of the House Subcommittee on the Postal Service, Congressman JOHN MCHUGH, for his excellent work in securing approval by the House of a strong measure to prevent these types of deceptive sweepstakes mailings. In addition, Congressman FRANK LOBIONDO, who introduced a strong sweepstakes disclosure measure in the House, has made a valuable contribution to the effort to curb deceptive mailings. Congressman JAMES ROGAN and Congressman BILL MCCOLLUM have also introduced legislation to address this problem, and have given their strong support to the effort to reform the current practices. I also appreciate the support and assistance given by Congressman CHAKA FATTAH and Congressman HENRY WAXMAN, who have provided both excellent ideas and leadership during House consideration of legislation to address the problem of deceptive sweepstakes.

The Senate bill was passed, as I said, unanimously, and it is now pending in the House Government Reform Committee. It has been unanimously approved by the Postal Subcommittee of the House Government Reform Committee, and it is my fervent hope that before we adjourn this year we can clear this important legislation and see it signed into law. It is time to put an end to these deceptive and unfair mailings that prey on the hopes and dreams of our senior citizens.

Mr. President, I yield the floor, and seeing no one seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

IN HONOR OF SENATOR JOHN CHAFEE

Mr. HOLLINGS. Mr. President, I have had earlier comments about our good friend, John Chafee, but a line I was trying to say was, more than a balanced budget, what we need in this body is balanced Senators. I don't know anybody better than John. He was the best.

I ask unanimous consent to have printed in the RECORD the wonderful column by Mary McGrory entitled, ''The Gentleman From Rhode Island.''

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

[From the Washington Post, Oct. 28, 1999]

THE GENTLEMAN FROM RHODE ISLAND

Sen. John Chafee of Rhode Island was a hero on the battlefields of two wars: He fought in World War II and in Korea. He was also a hero on the battlefield of the Senate, fighting valiantly, often for lost causes, working behind enemy lines, defying his party on matters of great import. He was an aristocrat who brought to the Senate a sense

of noblesse oblige that is otherwise unknown today. In an institution that calls every male a gentleman, Chafee really was one.

He was of a size difficult for his colleagues to manage. A wrestler in college and a former Marine, he hated violence. He was a high-minded patrician of colonial lineage who came to be idolized by his heavily Democratic and ethnically diverse constituents. He served for 23 years in a body that today is renowned for its pettiness and narrow-mindedness and never to the end lost his zest for coalitions and compromises. He was a most clubbable man, jovial and kind. For many in his caucus, vision consists of imagining bringing Bill Clinton to his knees. Chafee doggedly pursued his goals: clean air, clean water, a nation free of guns, a world where nuclear weapons were under control and people negotiated their differences.

He worried about foster children who at 18 lose government subsidies; he worried about the ABM treaty. The combination of practical and cosmic concerns and a nature that seemed devoid of malice made him an object of wonder. People who eulogized him on the Senate floor, including those who never voted his way, spoke of him with love and tears.

New Hampshire Sen. Robert Smith, now an independent, remembered that in 1991, when the Republican leadership was trying to dump Chafee as conference chairman, Smith, a newcomer, decided against his fellow New Englander. When he told Chafee that he was going to vote for Thad Cochran (Miss.), all Chafee said was ''Oh, dear,'' He lost by one vote.

Sen. Daniel P. Moynihan (D), who served with Chafee on Environment and Public Works, remembers Chafee saying to him the next day, ''There is no place for us liberals on our side any more.'' He was smiling as he said it.

''Liberal'' is now a toxic word. ''Moderate'' is as far as anyone goes to describe someone who is out of step with Trent Lott. Republicans show no mercy to people who, like Chafee, sat down at committee tables and without the slightest nod to partisan sensibilities said, ''Let's get at it.''

Time was when Chafee's Wednesday group, a weekly lunch for the like-minded, had a dozen members and some influence. At their most recent meeting, last Wednesday, there were just five, counting Chafee. He was gaunt and feeble after August back surgery. He had weeks ago announced his decision to retire from the Senate, but he was using every last minute to make a difference. Susan Collins, a freshman Republican from Maine who, like several others, regarded Chafee as ''my best friend in the Senate,'' told of Chafee's fervent remarks about foster children set loose at 18 and his hope that she could help in helping them.

Chafee, a gentleman of the old school, doubtless deplored what went on in the Oval Office. But he was one of five Republicans who voted against removing Clinton from office. He was one of four Republicans who voted for the Comprehensive Test Ban Treaty.

Chafee took no part in the pre-debate polemics on the test ban. He and Sen. Richard Lugar (Ind.), a pivotal Republican figure in all arms control efforts, were conspicuously absent. He told me a week before the treaty suffered meltdown on the floor that he was concentrating on the ABM treaty. As usual, he was looking down the road to the day when Senate hawks would tear up the treaty on the Senate floor and remove the last obstacle to building a missile defense system, their ultimate pie in the sky.

Republicans had been sniping at ABM, calling it ''null and void'' because the Soviet Union, with whom it was negotiated, no longer exists. Clinton will decide next June about going forward with a project about which the only certainty is its astronomical cost. The Russians say they will tolerate no change.

In this Senate the notion of unilateral withdrawal is a live option. So is a return to a full-throttle arms race and the Cold War. Chafee did not press colleagues on the test ban. He said he understood and shared their reservations about verification and our stockpile but on balance thought the country and the world would be better off if we ratified the treaty.

Those looking for consolation—Chafee always did in a dark hour—can find a little in the prospect that his death has greatly improved his son Lincoln's chances of succeeding him. Rhode Island is a small state that sent a great man to the Senate, and sympathy for his family is unbounded. Chafee, a pragmatist, would be pleased.

IN HONOR OF SENATOR JOHN CHAFEE

Mr. ROCKEFELLER. Mr. President, I come to the floor, after many of my colleagues have already said magnificent things, to say a word about a man I revered, worked with, and cherished both in personal and professional terms. That is, of course, John Chafee. There are so many reasons I respected and, in a sense, really loved John Chafee, and do to this minute and always will.

Many of them had to do with what it was that he didn't say and what it was that he didn't find a need to do. There was an interesting article in the Washington Post this morning by Mary McGrory that made me think back to the time I was in the Peace Corps. I served with a man who has since died by the name of Marty Grobli. We were working on the Philippines program together. He was an enormous hero of the Battle of the Bulge in World War II. He had done works of heroism which I never learned about because whenever as a young person in my early twenties I tried to ask him, because I wanted to learn about it, he said he didn't want to talk about it. I think that is the way of many who have been through searing emotional and physical experiences of danger, of patriotism, of great personal risk—they simply keep it to themselves. There isn't a need to tell others. War is not pleasant. War is destructive; war is carried out in the interests of the Nation or of many nations against one or several others.

John Chafee never felt a need. In fact, in all the years I knew him, I never heard him talk about serving in two wars, World War II and the Korean war, or the fact he was a marine. If one looked at John Chafee, particularly in the latter years, one wouldn't necessarily—unless you looked at that chiseled face—say this was a marine in the sense that one thinks about it in classical terms. He was not into looking tough, acting tough, or being tough—he just was tough. But he was tough on behalf of people he loved, whom he represented in Rhode Island, those he didn't directly represent, although he did as a Senator in the form of children and women and the inheritance of whatever quality of environment we will inherit in our country.

He was a steward of all of those things. He was ferocious in the way he fought for them. He never pushed himself forward. It always seemed, watching him on the Finance Committee when he was in a hearing conducting questioning, he was searching for truth, not either to show knowledge, of which he had a deep, deep repository, or to show special seniority. It was always that he was interested in what the witness was saying, reflecting on what the witness was saying, being courteous to the witness, tough on the witness where the witness might be withholding information or not fully disclosing some of the other arguments that might have been brought through that witness' answers.

I loved him for those qualities. I had no idea, I think as no one did, that this was going to be his fate. I didn't look forward to the fact he was going to retire, but since he announced he was going to retire I looked forward to the fact he would go back to Rhode Island, his beloved Northeast, to prowl his State, to be with the people who stood by him in all the years.

As the Senator from South Carolina knows, John Chafee was also a Governor. I was a Governor, and I think Governors bring to this body a particular ability and desire to want to reach a compromise to find a solution. The Presiding Officer was a Governor. And Governors often can't allow themselves to tarry because of an ideology. They can't tarry on simply a petulant feeling about this situation or that person because they are the only person in that State, be they man or woman, who can resolve the situation. Therefore, they have to seek a compromise. They have to seek a solution. I love that quality in a Senator. It is a quality John Chafee had in just an unparalleled amount.

So he never got to go back home. I feel very sad about that. I wanted to think about John Chafee at home, enjoying the fact he was looking back on all of his years of national service and public service and enjoying his grandchildren, his children, Ginny, his beloved State of Rhode Island, and all of the Northeast. He was a remarkable person.

I quote another thing Mary McGrory said which I liked so much:

> In an institution that calls every man a gentleman, he really was one.

That kind of puts us in our places. But it also very much says something accurate about John Chafee. I have heard him talk to people sharply. But it was always on substance. It was always on issues. It was always on what it was between himself and a resolution to a policy problem that he cared about.

In the leader's chair sits the Senator from Iowa, Mr. GRASSLEY. He and I will remember, because we were both there,

it was only last week—which is the heartbreaking part of it—that Senator John Chafee, as the senior member of the Finance Committee, was conducting a hearing on independent living. That is the problem caused when children are brought up, often abused by their parents or by others, through a foster care system, and then all of a sudden at the age of 18 they are declared independent.

Our colleague, the Presiding Officer, the Senator from Ohio, is also very interested in this problem. John Chafee was quizzing the young people who were there, who had come through the system—many, many foster parents, some of whom had worked, some of whom had not—but they had been, at the age of 18, declared independent. They were just cast out. They lost their health insurance. They didn't know how to open a bank account, not necessarily even how to operate a washing machine, and they said that to us in very clear and compelling ways.

I thought it was in situations such as that—I think my friend from Iowa will agree with me—that John Chafee was at his best. He was in his 70s. Yet he focused so much of what he did heavily on children who were in their fourth and fifth year, or in their teens. It was a burden and a passion that never relented.

The Senator from Iowa, Mr. GRASSLEY, and I are working very hard with our staff and the Finance Committee staff to try to complete that independent living bill, not simply—because that would embarrass him—as a way of honoring John Chafee, but, frankly, because John Chafee would be on us to do it. Knowing he is not here to do it himself, we intend to do that and we will do that. We hope it will pass this body and the other body and be signed by the President.

John Chafee's health is something I have to comment on because I always thought of him, and do think of him, as so strong. I wondered, as many of us did in the last several months, what was it that caused him to seem to become so fragile so quickly? But because I knew John Chafee and had known John Chafee, I always believed it would pass because John Chafee always came back. He was always there. He was frail because he had back surgery, but that was not going to lead to something else. It was simply something he was going to get over and come back and take his place over there, behind where the flowers are placed on his desk, and resume his work.

That is what John Chafee did. He did not retire when he was in his late 60s. He certainly was financially independent enough to do so, but he didn't retire because he wanted to work. He loved public policy. He loved helping children and families. He loved health care.

I can remember during the Clinton health care debates, it was classic John Chafee because we would go on Sunday television shows and he and I would have a wonderful conversation—before. We had different views on the legislation. We would have a very warm conversation before and then he would, during the course of the interview, proceed to shred me mercilessly, in good Marine fashion; you know, using good facts and good examples. Then, as soon as it was over, he would go back and we would be amiable.

I commented to him on that several times, and he just would sort of brush it off. He was doing his work. He was doing the work he was here to do.

When we think of children in this country getting health insurance, let us remember John Chafee because it was John Chafee who drove that. It was called the Children's Health Insurance Program—CHIPs. And Laurie Rubiner, his staff person, drove that. They were driving this independent living bill. There were so many things he did for people of all sorts.

I haven't even mentioned, except very briefly at the beginning, the environment.

John Chafee was also a very independent person. I do not say this as a Democrat; I say this as a Senator. I liked so much the fact that he was so ferociously independent of his own party when he chose to be; of his own party when they applied pressure on him; from his constituents, presumably, when they applied pressure on him. He always did what he thought was right. In the longer day of life, if you are who you are and you stay who you are, people will come in your direction. If you bend to other people's wills and people have a sense of that, then there will never be a need for them to come in your direction because they will sense, if they outwait you, they will prevail.

You could not do that with John Chafee, whether it was because he was this incredible person from Rhode Island and Northeast, this son of early America; whether it was because he was a marine; whether it was because of his own particular and unique nature—he never backed away from anything.

John Chafee was a great figure of the Senate. I am not in the position at this point to rate great figures in the Senate over eras. But I certainly start with the idea that John Chafee was and is one of those. I think he was an inspiration. He inspired me. I felt better when I saw him, when I was in his presence. I felt more motivated. I felt better about everything because he just did that to you, whether he was on his cane, as he was in the last month or so, or whether he was vigorous, as he was always before that. He enriched the lives of so many. He seemed to care very little about his own comforts, but, on the other hand, he was so devoted to his family.

In closing, I want to think about Ginny; I want to think about his children; I want to think about his grandchildren; I want to think about his staff, people who must be absolutely devastated now, all of them, each of the categories of people close to him, whom I have mentioned. I want them to know they were related to, married to, children of, grandchildren of, and working for, a really very great American.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, on Monday, as so many others in this body, I was shocked to hear the news of the passing of my dear friend and our colleague, Senator John Chafee.

I spoke out at that time of the feelings that both my wife Marcelle and I have for John and for Ginny and for their family. I would like to expand on that just a little bit further on the floor of the Senate.

When I spoke first, it was off the floor. But John and I spent so much time in this body that I felt it would be only appropriate to say something here because I feel that it was an incredible privilege to have served with him. I know his presence is going to be missed greatly by everyone.

It still seems strange to stand on the Senate floor and see his desk with a black shroud on it and the flowers there—something that in my 25 years I have seen several times for colleagues. You always hope you will not see it because when you see it you know—whichever side of the aisle it is on—that you will miss a Member of this very special family. There are only 100 who are privileged to serve, at any one time, in this body representing a quarter of a billion people. We have respect for each other, affection for many.

I think in this case, when you hear what has been said by Senators on both sides of the aisle, you know the great affection and respect there is for John Chafee. And it is only natural. He was a truly extraordinary man. He dedicated his life to serving his State of Rhode Island and his country. He did so with a commitment that yielded many benefits to all Americans, way beyond Rhode Island or New England.

He had a distinguished military career. He never questioned when duty called, even when it was at his own personal expense. He left Yale University as an undergraduate to serve in World War II. He returned to active duty in Korea shortly after receiving a law degree from Harvard. His contribution to Rhode Island and our country continued as Governor of his State, as Secretary of the Navy, and as a Senator.

The list of positions he held indicates a man of rare qualities. But what he did in those positions is what places John amongst the finest Americans to have served in the Senate. He was passionate about issues, but he had the unique ability to search for compromise among otherwise divided colleagues. He never seemed to lose sight of the fact that the Senate was working toward a common good, not an individual one.

From taking the office of Governor in 1962, in a largely Democratic State, to his four terms in the Senate, John Chafee showed the country he was willing to look past party lines and see what was at the heart of the issue at hand.

He made so many significant, visible and invisible, contributions to the Senate in the 24 years he served in this body. I was privileged to serve with him in each of those years. He was a tireless advocate of the environment, becoming the chairman of the Environment and Public Works Committee in 1994. He was a staunch supporter and advocate of many of the most important environmental protection laws that have been passed, including the Clean Air Act of 1990. He was always one of the strongest voices behind the protection of our wetlands, as well as the need to stop global warming from further progression.

I remember our latest legislative effort together on the so-called takings legislation, when John and I took to the Senate floor defending the rights of States and local officials to make their own decisions about their communities. I am sure many in the Senate probably grew tired as the two of us reminisced about New England character and the landscape we love so much. At times during that debate I thought the Chambers of Commerce of Rhode Island and Vermont should probably have hired us for all the things we were saying, but we made our point.

In health care, John was an advocate of compromise. His efforts to strengthen Medicare and Medicaid were actually seen as trying to appease Republicans and Democrats alike. What he was trying to do was to bring us together, because in every bend of the road, John was an advocate of serving his country to the very best of his ability. And he was successful in that every day of his life.

I think of arms control issues in the 1980s. John Chafee, John Heinz, Dale Bumpers—I remember working with them. We were sometimes referred to as the ''Gang of Four'' as we worked to bring reason to the nuclear arms race, even though we spanned the political spectrum among us. But as a veteran, as a decorated veteran, as a respected veteran, as a respected former Secretary of the Navy, John was not only an inspirational strategist in the ''Gang of Four'' but also an important resource of knowledge about the needs of an operationally effective nuclear triad.

So all of us have lost a beloved friend, one who will be missed dearly in the Senate. But the country should know the country suffered a great loss. Here was a man whose outlook and morals were of the highest standard. That should be something Senators in the present and the future should emulate. He was an anchor of civility for the Senate.

It is interesting that both he and my distinguished predecessor, as the senior Senator from Vermont, Bob Stafford, served as chairmen of the Environment Committee—both bringing those New England characteristics of civility in working for the better good.

Marcelle's and my thoughts and prayers are with Ginny and the rest of the Chafee family; and also with John Chafee's staff, who are among the finest people here—his extended family.

He will be missed. It was a privilege for the 99 remaining Senators to have served with him. And I think all 99 know that.

Mr. President, I yield the floor.

Mrs. MURRAY. Mr. President, I want to join with my colleagues in paying tribute to Senator John Chafee. With his passing this week, the Senate lost a wise and courageous voice. Anyone who spent any time in the Senate could see that Senator Chafee's reputation for honesty and individual conviction were well-deserved.

I want to offer his family my deepest sympathy and my deepest appreciation for sharing him with us for so long. He served as a role model of what a Senator should be.

The more I think about Senator Chafee—the more I realize the qualities that are rare today, were common in the gentleman from Rhode Island. Rare qualities like courage, independence, and a desire to always do what is right.

He often fought alone for what he believed was right. He worked for legislative compromise, but never compromised his own principles.

I was proud to join with him on many important initiatives, and his mark can be found on many of the landmark environmental protection laws enacted in the last twenty years. He was a thoughtful environmentalist—protecting the health and welfare of people, wildlife, and the environment as a whole, while at the same time balancing the needs of the economy. He recognized the fact that the West had a different relationship with its natural resources than the East. His work on clean air, clean water, oil pollution, and endangered species has benefited the entire nation. The people and the environment in my state, 3,000 miles away from Rhode Island, are far better off today, because a man named John Chafee served 23 years in this body.

Senator Chafee was also a consistent and articulate supporter of trade. And on issues like China MFN, he and I worked for the same goals.

Senator Chafee was a champion of women's health care long before it was politically correct. Long before anyone had ever heard of ''soccer moms,'' he stood alone many times to fight for women's health, and he never backed down.

Senator Chafee was also a strong advocate of a woman's right to choose. He was a voice of reason in an increasingly emotional debate. He protected a woman's right to determine her own fate and to make her own health care decisions. He worked to improve access to reproductive health care services and to improve security at women's health clinics. I always took a great deal of comfort knowing he was at the table fighting for women.

Perhaps his greatest commitment was to children, all children. He worked to expand Medicaid to provide health care for milllions of low income children. He fought to protect Medicaid. I know there are milllions of children who are now healthy adults because of the work of Senator Chafee. One of my most vivid memories of Senator Chafee was fighting on the floor in June 1997 to expand health care security for the 10 million uninsured children. He refused to give up his goal, and he refused to pass an empty promise. His work created the successful, bipartisan Children's Health Insurance Program (CHIP) which ultimately will provide health security for five million children. Think of the kind of impact he will have on the quality of life for these five milllion children.

Mr. President, I believe one of my roles in the Senate is to speak for those that have no voice—children, working families, the environment, battered women, and the elderly. Those are the same causes John Chafee served and served so selflessly. I only hope I can measure up to the standard he set.

When someone like John Chafee—someone with rare personal qualities and a legacy found in the millions of people his policies helped—when someone like that leaves this world, it makes the rest of us reflect on his contribution. Mr. President, this Senate is the poorer for his passing.

Mr. ASHCROFT. Mr. President, today I join my Senate colleagues, the people of Rhode Island, and the citizens of this great nation in bidding a sad farewell to our friend and countryman John Chafee.

From the shores of Guadalcanal to his hometown of Providence, RI, to the floor of the United States Senate, John Chafee was a true patriot. In everything he did, he put the best interests of the United States first.

And even when I disagreed with him, I knew that our disagreements were legitimate disagreements about what each of us felt was the best interests of this great country.

Descendant of two Governors and a Senator, John liked to joke that the one member of his family who ran for office as a Democrat—Harvard professor Zechariah Chafee—lost handily. John, knowing the family history, signed up as a Republican and never looked back.

John was a remarkable man coming from a remarkable family. His legacy gave him a lot to live up to, and he not only met but exceeded all expectations.

John's record of successes began at an early age. In high school, he was the runner up in the 135 pound class in the state wrestling championships. And let me tell you, nobody wrestles like those 135 pounders! Not only was it an impressive achievement, but it was good training for a future career as a Senator.

Later, at Yale, he was captain of the undefeated Yale freshman wrestling team. We will never know if he would have repeated that achievement the following year, because he left Yale in his sophomore year to enlist in the Marines—he didn't have to do that, but because he was an American Patriot, he did.

In the Marines, he served at the Battle of Guadalcanal. John was in the first wave of Americans to join in the bloody and important battle there. This country will always owe a great debt to him and the other Marines who served so bravely there.

After the Marines, John sought to move on with his life. He went to Harvard Law School, got married, and began the practice of law in the state he loved so dear. But duty called once again, and he returned to the Marines, to lead a rifle company in our struggle in Korea, and the nation's debt to him became even greater.

After his service in Korea, John returned to Rhode Island and embarked upon a political career. While John had ups and downs in his time, he certainly had more ups than downs. And more importantly, he knew how to handle those downs.

One of the downs came in 1968, when he lost the governorship in a surprising upset. Richard Nixon, recognizing the talent in John, tapped him to be Secretary of the Navy. There he was faced with a difficult decision concerning the chief officers of the *Pueblo,* a Navy ship that had been taken by the North Koreans. John decided not to court martial the captain and chief intelligence officer of the ship, deeming that they had suffered enough during their internment in a Korean prisoner of war camp. It was a difficult decision, but John Chafee has a great wisdom in difficult matters and the nation once again benefited from John's leadership.

In 1976, he was elected to the United States Senate, the institution to which he would devote the rest of his days. Both John Chafee and I won elections to the Senate in 1994, he for his fourth term and I for my first. Despite the disparity in seniority, we became friends, exchanging greetings on his birthday, which was just last Friday. He always appreciated my greetings, and sent the kindest thank you notes in response.

In my time here, I had the pleasure to work with him on a great number of issues, but two in particular stand out.

The first is ISTEA, the all-important transportation legislation we passed here few years ago. I worked closely with John to secure desperately-needed transportation projects in my home State of Missouri. John was always willing to work with me and my staff, and the citizens of Missouri must be added to the list of those who owe him a debt of gratitude.

The other issue that stands out in my mind when I think of John is his effort to reform the Superfund program. John was always concerned about the environment; back in 1969, the New York Post reported that John would stop his campaign motorcade and get out of his car to pick up a piece of litter. John always understood that we were all responsible for improving the environment, and his efforts to improve Superfund were based on that belief in individual action. As chairman of the Environment and Public Works Committee, he was in a position to act on his love for the environment, and his work in reforming Superfund is one of his most important achievements.

John leaves behind a loving wife, Ginny, 5 children, and 12 grandchildren. My prayers are for them at this time. They will miss him, as will we all.

Mr. HATCH. Mr. President, I rise today to remember my friend and colleague, Senator John Chafee.

We were both elected to this great body in 1976. But, John was not your average freshman Senator. Whereas I had never held office before, John came to the Senate with a service record to his State and his country that was already exemplary.

He was a war hero, having fought with the Marines on Guadalcanal. He was a Rhode Island state legislator, Governor, and Secretary of the Navy.

But here, he was not content to rely upon past achievements, no matter how great those achievements were. He fought diligently for a cleaner environment, better health care, and a fair and fiscally sound Medicare and Medicaid system. Most recently, we worked together on the ''Caring for Children Act,'' a bill which would have responsibly taken our nation's child care policy into the next century, providing parents with more options and expanding the ability of states to meet the needs of low-income working parents.

It was my pleasure to serve with John Chafee on the Finance Committee and the Select Committee on Intelligence. His leadership and understanding on these issues will be greatly missed.

I secretly admired John in another way as well. I understand that he could play a mean game of squash, which is a game I never learned.

Of all of John's titles—Governor, Secretary, Senator—I know that his favorites were ''Dad'' and ''Grandpa.'' I offer my deep condolences to John's wife, Virginia, and to their children and grandchildren. I know that spending more time with them and in his beloved Rhode Island following his retirement next fall was something that he looked forward to. The tragedy of his sudden death is all the worse because he was cheated out of this well-earned retirement.

John Chafee was a gentleman, a statesman, and a true public servant. There is no higher accolade that I can pay him.

Elaine and I send our deepest sympathies to his wonderful family and to all Rhode Islanders on this great loss.

CLASS SIZE REDUCTION

Mrs. MURRAY. Mr. President, we are nearing the end of the budget process, and there were inferences made on the floor yesterday that the class size initiative should not be part of the final budget agreement because—it has been claimed—the President doesn't have the authority to insist that we hire more teachers to reduce class size.

Mr. President, I have come to the floor today to clarify the President's important—and authorized role—in fighting for smaller classes. I have also come to the floor to remind my colleagues that this year we have smaller class sizes—where discipline has been restored and kids can learn the basics—because last year Congress made a bipartisan agreement—and a bipartisan commitment—to hire 100,000 new teachers in order to reduce size in first, second, and third grades.

Today, as the budget process winds down, I want to make sure that our agreement is not pushed aside.

Let me remind my colleagues that the President does have the authority in the Constitution to register his opinion on whether or not the budget is acceptable. In fact, the President doesn't just have the authority, but he has the responsibility under Article I, Section 7 to return bills with his objections that he does not approve of. And I'm glad the President has that authority and that he will use it if this Congress doesn't guarantee class size reductions. And 38 Senators signed a letter saying we would stand behind his threatened veto because we agree class size reduction is critical.

Mr. President, in trying to reduce the number of students in each classroom, I have followed the process. In March, I was told it wasn't the right time. In the subcommittee, I was told we weren't allowed to offer amendments. In full committee, I was told it was too controversial. Then, when I got the floor, I was told I'd have to wait until the Elementary and Secondary Education Act was written. If we have to wait until then, we won't be able to tell kids they will have small classes next year, and we can't tell teachers they will have their jobs next year.

Mr. President, I have followed the process, and I have waited. But I am tired of waiting as I sense that this Congress is trying to undo our bipartisan commitment. What am I supposed to tell students, ''Congress has to write the ESEA and until then, you have to learn your ABCs in a class with 35 students.'' To me, that is not acceptable. I'm not going to tell them that. If this Congress feels so strong that guaranteeing smaller classes is not important, you can give them your excuses.

This is about money in the budget that Congress approved last year, and it is about us keeping our commitment to improving education by reducing class size.

The class size reduction effort has been a success in its first year. Today, we have kids learning in classrooms

that are less crowded—learning to read, learning to write, and learning the basics with fewer discipline problems. They are working with a trained professional. Research shows they are going to have higher graduation rates, higher grade point averages and a higher likelihood of pursuing higher education.

They are going to be successful because of the work this Congress did one year ago. And the President has a right to insist on it. We as Democrats have a right to insist on it, and—as a Senator in this body—I am here to insist on it.

Now is the time to keep our commitment. Now is when the decisions are being made. Now is when we have to stand up for smaller classes. If we have to wait until after all budget deals have been cut, until after all the money has been spent, we will have failed those teachers, we will have failed those parents, but most importantly, we will have failed those children.

Mr. President, it is a national priority to reduce class size so kids can learn the basics and so discipline can be restored in the classroom. It is a promise we made last year and we need to put the money behind it, wherever it is appropriate.

A few weeks ago, I met with a teacher in Tacoma, WA, named Kris Paynter. Last year, there were 30 kids in her first grade class. This year there are 13 because of this program. That makes a huge difference for those kids. I saw a disciplined classroom where kids could learn the basics. Next year, we don't know how many kids will be in Ms. Paynter's class. And we can't even guarantee those 29,000 teachers hired last year will keep their jobs.

Mr. President, putting all of these process questions aside, what really matters at the end of the day is that kids have smaller classes. The teachers and parents in this country care that we do it. Period.

The millions of children who are now in smaller classes aren't wondering ''has this been authorized?'' or ''is this in the budget?'' or ''does the President have the constitutional authority to reduce class sizes?'' What really matters is that we fulfill our promise to parents, teachers, and students that we made last year in a bipartisan process.

Mr. President, I hate to say it, but at every turn, this Congress has put special interests ahead of the interests of real families. This is the last opportunity we will have to do something significant for kids. We didn't address the loopholes that still allow kids and criminals to get their hands on guns. We didn't make schools safer after the Columbine tragedy. We didn't provide health insurance to more kids. This is the last chance we have in this Congress to do something for out kids, fix a problem we know exists. And I am here to say that we cannot let this chance pass.

We need to keep our commitment to reducing class size. We need to be able to tell those teachers they will have jobs next year, and we need to be able to tell those kids they will have small classes next year. Let's stand behind our commitment.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

THE HAGEL PROPOSAL ON CAMPAIGN FINANCE REFORM

Mr. FEINGOLD. Mr. President, I come to the floor to briefly comment on a significant development in the fight for campaign finance reform. This morning, a bipartisan group of Senators, led by the Senator from Nebraska, Mr. HAGEL, announced a new campaign finance reform proposal. Let me say that I and the Senator from Arizona, Mr. MCCAIN, warmly welcome the heightened participation of this new group of Senators, which includes the Senator from Louisiana, Ms. LANDRIEU, who has been, from the day she came to the Senate, a strong supporter of campaign finance reform. I also note that it includes five Republican Senators who have previously never voted for a campaign finance reform measure that includes limits on soft money.

As I predicted last week on the floor, the wall of protection for the current system of unlimited soft money contributions to the political parties is rapidly crumbling. While I am pleased by this development, I am not surprised. The soft money system is indefensible. I think we saw that during our abbreviated debate last week. Opponents of reform didn't defend soft money; they tried to divert our attention from it. They actually questioned whether there is anything corrupting about unlimited contributions from corporate and union treasuries to the political parties.

As the chairman of the Global Board of Directors of Deloitte Touche Tohmatsu wrote in the New York Times when he heard about these comments on the floor:

> You could almost here the laughter coming from boardrooms and executive suites all over the country when Senate opponents of campaign finance reform expressed dismay that anyone could think big political contributions are corrupting elections and government.

I think the new initiative, led by the Senator from Nebraska, recognizes the opponents of reform have now retreated to an untenable position. They are defending the indefensible. To say there is nothing wrong with unlimited contributions to the political parties, that this is somehow the ''American way,'' is to live in a fantasy world the American people simply will not accept.

The public knows soft money is wrong. The public knows soft money is corrupting. And the business community knows it, too, as the Global Chairman of Deloitte Touche Tohmatsu so well expressed.

While the Hagel proposal does not ban soft money completely, which I believe is an essential element of an acceptable campaign finance reform bill, it does limit it significantly. So what you have here is a whole new group of Republican Senators, as well as some Democrats who are obviously saying it is not unconstitutional to limit soft money. In fact, they are obviously seeing the abuse of $300,000 or $500,000 contributions and they want to do something about it. So I am looking forward to working with Senator HAGEL and the others to reach common ground.

When campaign finance reform left the floor last week, we had a total of 55 Senators who had voted in favor of reform. Now, with this new initiative, there are five more Senators who apparently are prepared to vote to change this system. I think that is very significant, as I am sure my colleagues know, because what is 55 plus 5? It is 60. If we can bring all of these Senators together on a package they can all accept, we can break the filibuster. What we need now is real hard work, bipartisan work. We need to bridge our differences. If we can do that, we can defeat the defenders of this corrupt system and give the people a cleaner and fairer campaign finance system for the new century.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

AFRICAN GROWTH AND OPPORTUNITY ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 434, which the clerk will report.

The legislative assistant read as follows:

> A bill (H.R. 434) to authorize a new trade and investment policy for sub-Sahara Africa.
>
> Pending:
>
> Lott (for ROTH/MOYNIHAN) amendment No. 2325, in the nature of a substitute.
>
> Lott amendment No. 2332 (to amendment No. 2325), of a perfecting nature.
>
> Lott amendment No. 2333 (to amendment No. 2332), of a perfecting nature.
>
> Lott motion to commit with instructions (to amendment No. 2333), of a perfecting nature.
>
> Lott amendment No. 2334 (to the instructions of the motion to commit), of a perfecting nature.
>
> Lott (for ASHCROFT) amendment No. 2340 (to amendment No. 2334), to establish a Chief Agricultural Negotiator in the Office of the United States Trade Representative.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I rise to discuss the trade bill which is before us, and to register some disappointment with the path the leader has chosen to pursue because at this point the leader has indicated that he is not going to permit amendments to this trade bill. He has brought the bill to the floor, but he has what we call around here ''filled the tree.''

I am certain people who are listening to this out across the country must wonder what this language we use around here means. Very simply, it means the Republican leader has constructed this bill and amendments to the bill that preclude other Senators from offering amendments to this legislation. I regret that. I think it is a mistake.

One of the reasons we are bogged down around here is because the leader keeps doing this and keeps bringing up bills and keeps filling the tree. He keeps filing cloture and doesn't let the Senate legislate. I understand from time to time that may be necessary to move business in the Senate. But I think it has now happened so frequently that it is actually stopping business in the Senate. I believe that is a mistake.

Hopefully, this will change and we will be given an opportunity to offer amendments. I have several amendments that I believe should be considered by the body on this legislation. They are directly relevant to trade. In fact, I can't think of amendments any more relevant than the amendments I would like to offer.

The first amendment I would like considered is one to give direction to our trade negotiators as they go into the WTO Round in Seattle next month. We are just weeks away from our negotiators going into talks with all of the other countries that are involved in these discussions. We have not taken the opportunity to give direction to our trade negotiators on the policies they ought to pursue in these talks.

I believe it is very important that we set out what the goals should be. What should we ask our negotiators to have as their negotiating priorities?

I also would like to offer an amendment that would give trade adjustment assistance to farmers because right now they are left out. If they are adversely affected by a trade agreement that we reach, tough luck. They are left out. They are not helped. They ought to be included. Certainly, there ought to be restrictions as to how it would apply. But trade adjustment assistance ought to be provided for farmers. That is an amendment that I would like to offer to this bill. Right now I am precluded from doing so because, as I indicated, the Republican leader is denying other Senators the opportunity to present amendments.

I am willing to live by the will of this body. I am willing to offer an amendment and have votes taken. If I win, I win. If I lose, I lose. But I would at least like to have the opportunity to see where the will of the Senate lies on these questions. What are the negotiating instructions we give to our delegation to the WTO talks? Should farmers be included in trade adjustment assistance just as every other worker in this country is eligible? I believe the answer to those questions is a firm yes.

Let me first indicate that the reason I believe it is so critically important that we give instructions to our negotiators with respect to agriculture and what they do in terms of pursuing an agricultural policy in the WTO talks is because we are getting skunked in these discussions. We have been getting skunked and skunked repeatedly in these international trade talks.

Not so long ago I was visiting with the chief negotiator for the Europeans who told me: Senator, we believe we are in a trade war with the United States on agriculture. We believe at some point there will be a cease-fire in this conflict and we want to occupy the high ground. The high ground is world market share. Our European friends have engaged in a strategy and a plan to dominate world market share in agriculture. They have succeeded brilliantly. They have gone from being the largest importing region in the world to being one of the largest exporting regions in 20 years. They have done it the old-fashioned way: They have done it by buying these markets. They have spent, and spent profusely, in order to win this world agricultural trade battle.

Over the last 3 years, they have averaged $44 billion a year in support for producers versus our $6 billion. They have been outspending America 7 to 1 in terms of support for producers over the last 3 years. That is part of their strategy. That is part of their plan. They want to go out and buy these markets. The way they have done it is very interesting. They have developed a structure of agricultural support that pays their producers more within European boundaries to produce the same crops we produce, and then they take the surplus production that results and sell it for fire sale prices on the international market, driving prices down for them, driving down prices for us, driving down prices for everyone. That is also part of their strategy as they increase their market share—again, with the notion they are going to be in a position when a cease-fire is declared in this trade conflict to extract concessions. Oh, how well that strategy and plan has been working.

Their level of support is much higher than ours—3 times as high in some measures, 7 times as high under total support measurement, 60 times as high looking at world agricultural trade subsidy—and we are being outgunned. How do we win a fight when we are being outgunned on world agricultural export subsidy by 60 to 1? That is what the latest figures reveal. Europe accounts for almost 84 percent of all world agricultural trade subsidy; 84 percent. The United States, 1.4 percent. They are providing 60 times as much to go out and buy these markets as we are doing. Not surprisingly, they are winning.

Their trade negotiator said: Senator, we have a higher level of support than you do. In the last trade talks, instead of closing the gap, they were able to get equal percentage reductions from these unequal levels of support. Again, that is part of their strategy and plan. They don't want to see this gap closed. They don't want to see the United States go up and theirs go down. They don't want to see any movement in this relationship where they are now dominant. Instead, they want to secure equal percentage reductions from these unequal levels.

If they are able to do that, they will push us closer and closer to the brink of losing tens of thousands of farm families all across this country. That is why I believe it is critically important we offer negotiating objectives for agriculture to our delegation that will begin with the WTO Round in November.

If I were able to offer the amendment, I would offer the following negotiating objectives. The amendment I have crafted, and it is cosponsored by Senator GRASSLEY of Iowa, lays out seven principal negotiating objectives for agriculture:

No. 1, we should insist on the immediate elimination of all export subsidy programs worldwide. Export subsidies only depress world market prices. I think this is something we could agree on in the Senate. It is not in our interests to have world agricultural export subsidies. It is certainly not in our interests when the Europeans are outspending the United States in this regard 60 to 1.

No. 2, we should insist that the European Union and others adopt domestic farm policies that force their producers to face world prices at the margin so they do not produce more than is needed for their domestic markets. Every economist I have spoken to has told me that is something that makes sense to them, that every country ought to face world market prices at the margin. It is one thing for countries to adopt domestic food security policies to ensure they can feed themselves; it is entirely another matter to subsidize excess production and then dump this surplus on the world market, depressing prices for everyone else.

No. 3, we should insist that the State trading enterprises, such as the Canadian Wheat Board, are disciplined so their actions are transparent and they do not provide de facto export subsidies.

No. 4, we should insist on the use of sound science when it comes to sanitary and phytosanitary restrictions. Too often these are used as hidden protectionist trade barriers. On genetically modified organisms—which is a very hot issue in Europe—we should insist that foreign markets be open to our products, but we should also recognize we can't force consumers to buy what they don't want. We have to give consumers the ability to make an informed choice on whether they want to buy these products without letting inflammatory labels be used as hidden trade barriers.

No. 5, we should insist that our trading partners immediately reduce their tariffs on our agricultural exports to

levels that are no higher than ours and then further reduce these barriers.

No. 6, we should seek cooperative agricultural policies to avoid price-depressing surpluses or food shortages.

No. 7, we should strengthen dispute settlement and enforce existing commitments. We honor our commitments. All too often, other countries that are party to these agreements fail to follow what they have pledged to do.

I think these are seven commonsense negotiating objectives we ought to lay out for our delegation to the WTO talks. I hope at some point we are able to offer that amendment.

I have indicated I want to offer an amendment allowing our farmers to qualify for trade adjustment assistance. The amendment I want to offer—and again, this is cosponsored by Senator GRASSLEY—makes farmers eligible for trade adjustment assistance similar to what is provided to other workers in other industries who suffer as a result of unfair imports. When imports cause layoffs in manufacturing industries, workers are eligible for trade adjustment assistance. But when imports cause the same kind of problem to farmers, they are not eligible because the test is job loss.

Of course, farmers don't work for a paycheck, they get their living by selling the commodities they produce. When they are faced with a circumstance in which they are unfairly impacted by trade imports, they lose their income but not their job. So when it comes to trade adjustment assistance, they are out of luck. They don't qualify for trade adjustment assistance. Farmers lose their income, and there is nothing to help them. In fact, this may be something we do to them ourselves. We may negotiate away certain sectors of our industry as we did in the so-called Canadian Free Trade Agreement. Yet we come back and do absolutely nothing for the sector of our economy that was traded away—in this case, farmers.

We have a case in my State where certain loopholes were negotiated in the Canadian Free Trade Agreement that allow Canadians to flood our market with Canadian durum. We can't send a bushel north, and yet there is nothing to help our farmers who were basically sold out in that negotiation. There is not one thing to be done to help them. We have lost hundreds of millions of dollars a year, and nothing is being done to provide assistance to those farmers. The least we could do is provide trade adjustments as we do for every other industry.

That is why I believe we must act on an amendment such as the one Senator GRASSLEY and I have crafted. Trade adjustment assistance for farmers can not only provide badly needed cash assistance to a devastated agricultural economy; it can reignite support for trade among many family farmers.

The Conrad-Grassley amendment would assist farmers who lost income because of unfair imports. Farmers would get a payment to compensate them for some, but not all, of the income they lose if increased imports affect commodity prices. The maximum any farmer would receive in any one year is $10,000, and the maximum cost of this amendment would be $100 million a year.

Under our amendment, the Secretary of Agriculture would decide whether the price of a commodity has dropped more than 20 percent and whether imports contributed importantly to this price drop. The ''imports contributed importantly'' standard is the same standard the Department of Labor uses to determine whether workers are eligible for trade adjustment assistance when they lose their jobs.

In order to be eligible for benefits under this program, farmers would have to demonstrate their net farm income has declined from the previous years. This was a criticism leveled at the amendment in the Finance Committee, and we have added this provision to try to respond to that criticism.

Farmers would also need to meet with the USDA's Extension Service to plan how to adjust to the import competition. This adjustment could take the form of improving the efficiency of the operation or switching to different crops.

Training and employment benefits available to workers under trade adjustment assistance would also be available to farmers as an option. In most years, the program would have a very modest cost because very few commodities, if any, would be eligible. But in a year comparable to last year, when hog prices collapsed and wheat prices tumbled, the program would offer modest support to compensate farmers for the harmful effect of imports.

These are two amendments that I believe are totally relevant to the bill before us. One of these amendments I offered in the Finance Committee to this very bill. Now this legislation is on the floor and we are precluded from offering an amendment here. Again, I hope the leader will relent. I hope he will open it up so those of us who have serious amendments, amendments that deserve consideration, can at least get an up-or-down vote.

The second amendment I discussed, dealing with WTO negotiating objectives, I also think is directly relevant. Frankly, we are not going to have another chance to give instructions to our delegation before they go to the WTO Round. Before they commence these trade talks, we ought to have an opportunity to give negotiating guidelines to our negotiators. That is part of our responsibility, part of our role. If we do not have a chance here, we are not going to have a chance.

Finally, I have a third amendment on agricultural sanctions that I would hope could be considered.

I very much hope before this is done we will have a chance to offer amendments, amendments that are serious, that are relevant to trade, so our colleagues may pass judgment on them, so we may consider and vote on them.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

NO NEW WAVE OF ISOLATIONISM

Mr. NICKLES. Mr. President, I am going to speak in a moment on the trade bill, but first I want to repudiate, or at least take issue with, some of the comments that have been made by the President and those of his National Security Adviser, Sandy Berger, when he made comments about the Senate becoming the new isolationists.

I looked at his speech he made before the Council on Foreign Relations just a couple of days ago. He blasted the Senate, blasted Republicans, or that was the implication. I will quote:

> It's tempting to say the isolationist right in Congress has no foreign policy, that it is driven only by partisanship. But that understates it. I believe there is a coherence to its convictions, a vision of America's role in the world. Let me tell you what I think they are in simple terms; First: any treaty others embrace, we won't join. The new isolationists are convinced that treaties—pretty much all treaties—are a threat to our sovereignty and continued superiority.

I could go on, but I am very offended by that statement. I am very offended the National Security Adviser of this President would make such a statement about Members of this Senate. He is factually incorrect. He is making statements that send bad signals throughout the world that are unfounded, and he should be ashamed, and he should apologize for this speech he made before the Council on Foreign Relations.

He implies this new isolationism is against all treaties, and he is implying maybe Republicans don't like treaties. Let me just take issue with that.

In 1988, we passed the Intermediate Nuclear Forces Treaty. It passed by an overwhelming margin. We passed the START treaty, Strategic Arms Reduction Treaty, START I in 1992, START II in 1996, by overwhelming majorities.

We worked and had a bipartisan arms control group that monitored arms control. I might mention, that started under President Reagan and President Bush. It has been discontinued, to my knowledge, under President Clinton, and maybe that is to his loss. One of the reasons that group was put together was that another arms control treaty, the SALT II treaty, the Strategic Arms Limitation Treaty proposed by President Carter, was defeated.

I am amazed, when people said the Comprehensive Test Ban Treaty was the first treaty defeated in the Senate, they don't count SALT II. SALT II was defeated. We didn't have an up-or-down vote, but President Carter had the treaty withdrawn. He could count votes and he didn't have 67 votes. It was not going to be ratified, so he

withdrew the treaty. And he was correct in doing so. That treaty had fatal flaws.

So subsequent administrations, President Reagan and President Bush, said let's have a bipartisan arms control group in the Senate that will help monitor, discuss, give advice and consent. So we had good dialog on treaties as they evolved, and this Senate was quite successful in ratifying those treaties. I mentioned the fact we ratified INF, START I, START II, Conventional Forces in Europe—we did that in the 1990s—the Chemical Weapons Convention.

I might mention, I did not support the Chemical Weapons Convention, but it still passed by an overwhelming majority. I have my reasons. I don't think it is verifiable. I think somebody can build chemical weapons in a closet and no one will ever know. But my point is, that happened just a year or so ago.

This Senate also passed NATO expansion. We passed it overwhelmingly.

So, again, for the President's National Security Adviser to say we are isolationist I think is absolutely wrong. To say we oppose all treaties is absolutely wrong.

I might go ahead and mention that if the President submits the Kyoto treaty, the Global Climate Change Protocol negotiated in Kyoto, Japan, it will be defeated. This Senate passed a resolution prior to their signing that treaty with 90-some votes saying we will not ratify something that leaves out major players worldwide, players such as China, Mexico and India, who did not sign the Kyoto Protocol, didn't sign the treaty—that we would not sign it. It has several other fatal flaws. The President went ahead and signed it anyway. If the President submits that treaty for ratification, it will go down in defeat.

Is it our fault the President went ahead and submitted the Comprehensive Test Ban Treaty? Didn't he read the Constitution? The Constitution says it takes two-thirds to ratify a treaty. He never had two-thirds. He didn't even have a majority. Was that the Republican Members' fault when we had Members of the Senate, day after day, saying ''We want a vote on the treaty''? The President said, ''We want a vote on the treaty.'' We had ranking members, the ranking minority Member of the Senate and several others saying, ''We want to vote on the treaty.'' So we did what we often do around here; we entered into a unanimous consent agreement that could have been objected to by any Senator and scheduled a vote.

Then people wanted to get out of the vote because, oops, we counted and we don't have 67 votes. There were not even 50 votes. All it would have taken was a unanimous consent to defer the vote and that attempt was not made. Senator LOTT tried to offer the President an escape route, but he wouldn't take it. The President didn't even call Senator LOTT until an hour, maybe 2 hours, before the vote. That is the President's fault.

Let's go back to treaties. Is this Senate willing to ratify and consider treaties?

What about the Nuclear Non-Proliferation Treaty? That is a treaty we have ratified, but we also know it has not been enforced. We know Russia has been selling nuclear weapons and materials to Iran, and this administration has done almost nil about it. The fact is the last Congress passed legislation to increase penalties for firms that, through Russia, are selling to Iran. The President did not want to sign it. He eventually signed it.

He has been lax in the enforcement of the Nuclear Non-Proliferation Treaty with respect to Iran. The administration has been looking the other way with China, who has been selling arms, missiles, and equipment to Pakistan. China signed that treaty. Russia signed the treaty. Iraq signed the treaty. And the administration turns its back on Iraq. North Korea signed the Nuclear Non-Proliferation Treaty, and they have not complied with it. They have not come close to complying. As a matter of fact, we have uncovered evidence that they are pretty active in their nuclear program.

The Nuclear Non-Proliferation Treaty says there will be onsite visits. North Korea said: No, there will be no onsite visits; we are turning off the cameras. The administration said: We are going to reward your noncompliance and build you a couple of nuclear powerplants and we will give you millions of dollars of oil every year if you promise not to do this anymore.

What was North Korea's response? Thank you very much; we will take your money, your powerplants and, incidentally, we will lob missiles over South Korea, over Japan, and maybe hit the west coast of the United States, certainly Alaska.

The administration has rewarded noncompliance of the Nuclear Non-Proliferation Treaty by North Korea. They have done the same thing with Iraq. My colleagues might remember we had a war. We had a war in Iraq in 1991—actually, in 1990, we had a significant buildup. In 1991, we had a war.

At the conclusion of that war, we said: Before we are going to allow Iraq to sell oil, we are going to have international arms control inspectors to make sure they are not building nuclear weapons and that they were not in violation of the Nuclear Non-Proliferation Treaty—to make sure they are not building chemical weapons, not building biological weapons; so we are going to have an arms control group monitor Iraq to make sure they are not building weapons of mass destruction. Unless they complied with that, we were not going to let them sell oil. That was in 1991. That was after we won the war with Iraq.

Guess what has happened since then. Since this President has been elected, gradually over time, we have allowed Iraq to sell more oil year by year. We have zero inspectors in Iraq today. Zero. So they are able to build their nuclear weapons, chemicals weapons, and biological weapons. We do not have anybody on the ground. We may have satellites flying around, but they cannot pick that up. They can be built in small rooms.

This administration's record on proliferation is poor. Their record on enforcing the Nuclear Non-Proliferation Treaty is pathetic. Again, to have this administration lecturing Members of the Senate and saying we are new isolationists is totally unfounded.

They rewarded Iraq for their noncompliance. They did not comply with the regime imposed on them by the United States and, frankly, the entire world—the United Nations. They did not comply with it.

What did we do? We rewarded them and said: You can sell all the oil you want. And the administration ratified that by a unanimous vote in the Security Council 3 weeks ago which said to Iraq: You can sell all the oil you want and, incidentally, you do not have to have any arms control inspectors whatsoever in Iraq; none, zero.

Great. That is a great policy.

Speaking of nonproliferation, the whole idea of nonproliferation is we do not want a lot of nuclear weapons primarily, but we also do not want chemical and biological weapons spreading around the world. We do not want them expanding.

Maybe the administration better give us some answers, including the Vice President of the United States, when we have evidence turned in by the intelligence agencies—actually, it was done by a Chinese agent—that shows us they have copied or they have multitudes of information on our nuclear weapons, including our missile designs, our latest warheads, and a whole variety of things. We found out about that.

When did the President find out about it? His National Security Adviser found out about it in the fall of 1995. Sandy Berger, who is Assistant National Security Adviser, at least was briefed about it by the Department of Energy in April of 1996. According to Mr. Berger's statement, he did not brief the President until July of 1997. Mr. Berger, why didn't you brief the President?

Somehow, I do not believe that. He should resign. If the National Security Adviser finds out that China has access to our latest technology or designs on nuclear weapons in April of 1996 and does not brief the President until July of 1997, he should be replaced. These are weapons that threaten the security of the United States. These are weapons that threaten the security of the world. And he did not find time to brief the President of the United States? I do not believe that.

When did the President find out they had stolen these weapons or they have the designs for these weapons? What is our National Security Adviser there

for? To make partisan speeches in New York calling Republicans new isolationists? He does not find time to brief the President, but he has time to sit in on campaign meetings throughout the year and at the same time we have Chinese arms merchants coming to the White House writing big checks? This thing smells. It is despicable. Yet he has time to make partisan speeches that are totally, completely unfounded.

I have gone over a few treaties, and I have mentioned several the Senate has ratified when Republicans have been in control and when the Democrats have been in control. We had bipartisan ratification for every treaty I mentioned.

I mentioned the Kyoto treaty earlier. It has bipartisan opposition, and if the President submits it, it will not be ratified.

I mentioned the Comprehensive Test Ban Treaty about which the President is so upset. It was not ratified because it is a treaty in perpetuity. It is a treaty that says 100 years from now or 40 years from now, no matter what China does, no matter what Russia does or what Iraq does or any other country, if we find out they have an aggressive nuclear program, we still cannot test because we will abide by the treaty in spite of the fact that other countries may not.

The Senate, by a majority vote, said it is not going to ratify a treaty that has zero test limits. Every President in the past has said if we have a treaty, it should be temporary, a moratorium, and not a permanent ban; it should allow for some small amount of testing. Frankly, we think some countries which have signed it are already cheating, but we cannot detect it because it is not verifiable.

Many think this is not a treaty on which we should bind the United States for the next 40 years. Mr. President, you have to submit a better treaty. You have to consult with Congress. You have to get some advice and consent. You cannot rail and make partisan statements that you want a vote and you get a vote, but then you say: Wait, I didn't know. I thought we were guaranteed to win. That is not in the Constitution. Congress fulfilled its constitutional duty. Maybe the President should read the Constitution. It takes two-thirds of the Senate to ratify a treaty. It is not our fault he did not have the votes. He did not even come close to having the votes.

What about this new military isolationism about which Mr. Berger is talking, implying the Republicans do not want to get involved in a foreign war? Maybe he is alluding to this Senator.

In January of 1991, we voted in the Senate whether to authorize the use of military power in Iraq. And we did. We passed it by a vote of 52 to 47. We had some bipartisan support. Vice President GORE supported that resolution.

Most Democrats opposed it, including the majority leader, including some very respected Senators whom I know and think the world of: Senator Nunn, Senator Boren, for example. They were saying let's give sanctions a little more of a chance before we initiate the war. I respected that. I didn't agree with it, but I respected it. I did not question them or call them isolationists. I did not question their patriotism. But yet when some of us had some reservations or opposition to the bombing campaign in Kosovo, we are now called isolationists. I disagree with that.

In the Rambouillet accords, the Secretary of State, Madeleine Albright, basically said: Mr. Milosevic, you need to sign this treaty we have put together or we're going to bomb you. I have made several speeches on the floor that have those transcripts. Those were statements that she made: We're going to bomb if you don't sign.

I was opposed to that. I stated at the time I thought it might make matters worse. And, frankly, it did.

If you are concerned about the humanitarian loss, things were a lot worse after the bombing was initiated. After we pulled out the observers, the monitors, things really got bad. Thousands of people lost their lives. Is it unpatriotic to question that action? Does it make you an isolationist because you don't think we have used all the diplomatic tools at our disposal before we start trying to bomb somebody into submission?

This administration has bombed four countries in the last 13 months. They have bombed in Serbia; they have bombed in Sudan; they bombed in Afghanistan; they bombed in Iraq—most all of which have not been effective. In Serbia, particularly Kosovo, for a long time it made matters a much worse.

I don't question people's integrity or their patriotism or whether they are new isolationists. I question that policy. The same thing in Bosnia. I thought we should have given the Bosnians a chance to defend themselves. This administration did not. There was a difference of opinion. I met with Bosnian leaders who came in and said: We don't want your troops to be stationed in Bosnia. We want to have arms so we can defend ourselves. I happen to agree with that policy and also said: If we go this route, we are going to be stuck in Bosnia forever. We are. I visited the camps in Bosnia. We are going to have U.S. soldiers there for a long time. Now we are going to have United States soldiers occupying Kosovo, probably for decades, at a cost of billions of dollars.

So my point is, this administration seems quick to bomb, and if you question their rhetoric or if you question the issue, well, maybe you are a new isolationist. I just disagree with that.

I don't like name calling and there seems to be a lot of it lately. I am personally offended. Somebody made the implication that, well, somebody was a racist because we didn't confirm a judicial nomination. I am very offended by that comment. I am upset about that comment and the implication from the President and from a couple Members of this body. That does not add to the debate. That is not right. It is inaccurate.

In that particular case, the judge was opposed by the National Sheriffs Organization and opposed by the State chief of police. For that reason, I voted no. It did not have anything to do with his race.

I just think name calling—whether you are calling somebody a new isolationist or whether you are saying somebody has racial motives—is very offensive.

Let me just touch on a couple other issues. Mr. Berger alludes to the fact that we are isolationists. We have a trade bill before the Senate today, the African trade bill. We are trying to pass that. We are trying to include the Caribbean Basin Initiative. We are trying to pass that as well.

There are some Members on the Democrat side who are opposing that. They have a right to do it. My guess is, an overwhelming majority of the Senate will vote to pass this. And I do not question the integrity of one of my colleagues who is opposing it. He has the right to do that. They are entitled to their opinion. They are entitled to offer their amendments. They are entitled to have discussion and debate on the issue.

But if you look at trade over the last 10 or 15 years, this Congress passed NAFTA by a bipartisan vote. We passed GATT. NAFTA, we passed in 1993; GATT, the General Agreement on Tariffs and Trade, in 1994.

This Senate is more than willing to pass fast track. The President did not call for fast track to be reauthorized because he was running for reelection in 1996. Some of the leaders of organized labor did not want it, so he didn't call for it to be done in 1996. He waited until after his reelection and then he sent it to us.

He was the first President, going all the way back to President Ford, I believe, who didn't have fast-track authority. After he was reelected, he said: Hey, Congress, pass this. The Senate wanted to pass it, but the House couldn't. A lot of House Democrats said: You didn't want to take a tough vote before the election, so we do not need to do it now either. He could hardly get any votes from Democrats in the House to pass fast track. So he is the first President in decades who has not had that authority. It is not the Republicans' fault. That is not new isolationism.

Is the President catering to protectionist forces within his own party and within the organized labor agenda? He could not get it through the House; but it was not the House Republicans, it was the House Democrats that presented the problem. And those are just the facts.

Another issue at hand is the World Trade Organization. There is going to be a meeting of the WTO in Seattle. Most Republicans support the idea of

reducing trade barriers throughout the world. There are negotiations with the People's Republic of China in the WTO. They were so close, and the President would not say yes. A Chinese delegate came to the United States and made a lot of trade concessions. Frankly, it was a pretty good deal. My compliments to the President's Trade Representative, Charlene Barshefsky, who negotiated a good deal. And then the President would not say yes.

Why? Because maybe a few people in organized labor did not want him to say yes. Regardless, he did not say yes. So now he has called, I guess, the Chinese Premier and said: Well, we really want to do WTO. He had them here a few months ago, and he said no. Whose fault is that? Who is the new isolationist? Most of us realize we need to develop and encourage growing markets with China.

So I mention a few of those things to just repudiate, in the strongest words I possibly can, Sandy Berger's comments talking about the new isolationist fever that is running through Congress. Maybe there are some people running for President who have that philosophy. They don't represent the Republican Party. As a matter of fact, the primary person espousing that belief left the Republican Party.

In the Senate, I serve on the Finance Committee with Senator ROTH and Senator MOYNIHAN, and others on that committee, who have jurisdiction over trade issues, who have jurisdiction over tax issues. There is not an isolationist trend coming out of that committee or from the Senate.

If the President wants to get treaties ratified, he needs to consult with the Senate. He could have found out from the Senate he had some flaws in the Comprehensive Test Ban Treaty and did not have the votes. He could have found that out before asking for the vote and saved himself some embarrassment. Hopefully, he will come to that realization with the Kyoto Treaty.

We had a resolution in the Senate with, I believe, 94 votes that said Kyoto was fatally flawed, don't bring it to the Senate in this form or it will not be ratified. So maybe he is taking that as a hint he doesn't have the necessary 67 votes.

I hope the President and his National Security Adviser will move away from this rhetoric of ''new isolationism'' because, frankly, they are fomenting something that is not there. It is very much to the disadvantage of our country, our reputation worldwide, and it does not do them service because it is not true.

Mr. President, I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from South Carolina.

THE BUDGET

Mr. HOLLINGS. Mr. President, if there is one difficulty we have in this trade debate, it is credibility. If you believe the distinguished leaders, the President, the majority, minority leader, the distinguished chairman of our Finance Committee, you are bound to vote for this particular agreement with respect to the Caribbean Basin Initiative and the sub-Sahara. Then if you believe this Senator, who is in a dreadful minority at this point, you couldn't possibly vote for it.

Trying to bolster my credibility, because I have spoken throughout the year with respect to the budget, the deficit and whether or not there is a surplus, I ask unanimous consent to print in the RECORD this morning's column entitled ''Hill Negotiators Agree to Delay Part of NIH Research Budget.''

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

[From the Washington Post, Oct. 28, 1999]

HILL NEGOTIATORS AGREE TO DELAY PART OF NIH RESEARCH BUDGET

(By Eric Pianin)

House and Senate negotiators yesterday agreed to delay a big chunk of the research budget to the National Institutes of Health, as they struggled to find new ways to hold down costs and stay within tight spending limits.

With concerns rising over their plan to cut programs across the board, Republican leaders are once again turning to creative accounting tactics to make sure their spending bills are lean enough to avoid tapping into Social Security payroll taxes.

The last of the 13 spending bills to be considered by Congress, a giant $313 billion measure funding labor, health and human service programs, would provide the NIH with $17.9 billion for fiscal 2000, a 15 percent increase that exceeds the administration request by $2 billion.

But the bill, which will be considered by the full Congress today, would require the NIH to wait until the final days of the fiscal year in September to use $7.5 billion of that money. The tactic is aimed at limiting the actual amount of money that the government will spend at NIH in the current fiscal year; the plan would essentially roll over $2 billion of spending to next year.

The Clinton administration warned that the move would seriously hamper research efforts and impose significant administrative burdens on NIH, and congressional Democrats complained that it was yet another step eroding GOP credibility on budget matters.

But Senate Appropriations Committee Chairman Ted Stevens (R-Alaska) said Congress was justified in is use of accounting ''devices'' to cope with emergencies and pressing budget priorities that exceeded what Congress had previously set aside to spend this year.

The various devices are crucial to the GOP's campaign to pass all 13 spending bills for the fiscal year that began Oct. 1 without appearing to dip into surplus revenue generated by Social Security taxes. GOP leaders last night put the finishing touches on an unwieldy package that includes both the labor-health-education bill, the District of Columbia spending bill and proposal for a roughly 1 percent across-the-board spending cut.

Democrats maintain the ''mindless'' across-the-board cuts would ''devastate'' some agencies, hurt programs for mothers and children, and trigger large layoffs in the armed services. But House Majority Whip Tom DeLay (R-Tex.) said accusations the cuts would hurt defense were ''nothing but hogwash.'' He said the criticism was coming from ''the same officials who have sat by idly as the president has hollowed out the armed forces.''

President Clinton has vowed to veto the huge package, as he has three other bills, and there is no way the two sides can reach agreement before a midnight Friday deadline. With neither side willing to provoke a government shutdown, the administration and Congress will agree on a third, short-term continuing resolution to keep all the agencies afloat while they continue negotiations.

While the Republicans and the White House are relatively close in negotiating overall spending levels, there are serious differences over how to spend money to reduce class sizes, hire additional police officers and meet a financial obligation to the United Nations as well as disputes over environmental provisions in the bills.

Meanwhile, figures out yesterday showed that the federal government ran a surplus of $122.7 billion in fiscal 1999 (which ended Sept. 30), the first time the government has recorded back-to-back surpluses since the Eisenhower administration in 1956–57.

The 1999 surplus was almost double the 1998 surplus of $69.2 billion, which was the first since 1969. Whil the 1999 surplus was the largest in the nation's history in strict dollar terms, it was the biggest since 1951 when measured as a percentage of the economy, a gauge that tends to factor out the effects of inflation.

All of the surplus came from the excess payroll taxes being collected to provide for Social Security benefits in the next century. Contrary to an earlier estimate by the Congressional Budget Office, the non-Social Security side of the federal government ran a deficit of $1 billion, money that was made up from the Social Security surplus.

The drafting of the labor-health-education spending measure dominated the action behind the scenes on Capitol Hill yesterday. The House has been unable to pass its own version, so House and Senate negotiators worked out a final compromise in conference.

The $313 billion compromise exceeds last year's spending by $11.3 billion and includes more money for education, Pell Grants for college students, NIH, federal impact aid for local communities, the Ryan White AIDS research program and community services block grants than the administration had requested.

While the bill provides $1.2 billion for class size reduction, the Republicans insist local school districts be given the option for using the money for other purposes while the White House would mandate the money for hiring additional teachers.

Republicans also were claiming $877 million in savings by using a computer database of newly hired workers to track down people who defaulted on student loans. The nonpartisan CBO said the idea would only save $130 million, but Republicans are using a more generous estimate used by Clinton's White House budget office.

Mr. HOLLINGS. Right in the middle is the headline: The Government has recorded its first back-to-back surpluses since 1956–57. Within the text, reaffirming that:

Meanwhile, figures out yesterday showed that the federal government ran a surplus of $122.7 billion in fiscal 1999 (which ended Sept. 30), the first time the government has recorded back-to-back surpluses since the Eisenhower administration in 1956–57.

That is totally false. Mark Twain said it best: The truth is such a precious thing, it should be used very sparingly. That has been the credo around the Government in Washington, particularly with respect to our fiscal condition.

Mr. President, I ask unanimous consent to print in the RECORD table 6 on page 20 of the U.S. Treasury Report, issued yesterday.

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

TABLE 6.—MEANS OF FINANCING THE DEFICIT OR DISPOSITION OF SURPLUS BY THE U.S. GOVERNMENT, SEPTEMBER 1999 AND OTHER PERIODS

[Dollars in millions]

Assets and liabilities directly related to budget off-budget activity	Net transactions (−) denotes net reduction of either liability or asset accounts			Account balances current fiscal year		
	This month	Fiscal year to date		Beginning of		Close of this month
		This year	Prior year	This year	This month	
Liability accounts:						
Borrowing from the public:						
Public debt securities, issued under general Financing authorities:						
Obligations of the United States, issued by:						
United States Treasury	−16,115	130,078	113,047	5,511,193	5,657,386	5,641,271
Federal Financing Bank	.....	.....	.....	15,000	15,000	15,000
Total, public debt securities	−16,115	130,078	113,047	5,526,193	5,672,386	5,656,271
Plus premium on public debt securities	−16	−200	648	2,202	2,018	2,002
Less discount on public debt securities	534	1,648	864	79,051	80,165	80,698
Total public debt securities net of Premium and discount	−16,665	128,230	112,831	5,449,345	5,594,241	5,577,575
Agency securities, issued under special financing authorities (see Schedule B. For other Agency borrowing, see Schedule C)	283	−449	−3,814	[1] 29,359	28,627	28,910
Total federal securities	−16,383	127,782	109,017	5,478,704	5,622,868	5,606,486
Deduct:						
Federal securities held as investments of government accounts (see Schedule D)	31,747	[2] 221,927	163,915	[2] 1,767,778	1,957,959	1,989,705
Less discount on federal securities held as investments of government accounts	411	5,822	3,687	10,687	16,098	16,510
Net federal securities held as investments of government accounts	31,335	216,105	160,228	1,757,090	1,941,860	1,973,196
Total borrowing from the public	−47,718	−88,323	−51,211	3,721,613	3,681,008	3,633,290
Accrued interest payable to the public	8,729	−2,845	−635	45,448	33,874	42,603
Allocations of special drawing rights	−346	80	30	6,719	7,145	6,799
Deposit funds	−719	188	−824	4,280	5,188	4,469
Miscellaneous liability accounts (includes checks outstanding etc.)	4,054	498	−15	3,923	366	4,420
Total liability accounts	−36,000	−90,402	−52,655	3,781,983	3,727,582	3,691,581
Asset accounts (deduct)						
Cash and monetary assets:						
U.S. Treasury operating cash: [3]						
Federal Reserve account	1,082	1,689	−2,740	4,952	5,559	6,641
Tax and loan note accounts	18,986	15,891	−2,003	33,926	30,831	49,817
Balance	20,069	17,580	−4,743	38,878	36,389	56,458
Special drawing rights:						
Total holdings	−512	178	108	10,106	10,796	10,284
SDR certificates issued to Federal Reserve Banks	1,000	2,000	.....	−9,200	−8,200	−7,200
Balance	488	2,178	108	906	2,596	3,084
Reserve position on the U.S. quota in the IMF:						
U.S. subscription to International Monetary Fund:						
Direct quota payments	.....	14,763	.....	31,762	46,525	46,525
Maintenance of value adjustments	663	412	162	4,615	4,364	5,027
Letter of credit issued to IMF	−166	−15,750	7,204	−14,884	−30,467	−30,633
Dollar deposits with the IMF	4	−36	6	−85	−126	−121
Receivable/Payable (−) for interim maintenance of value adjustments	−406	−562	−262	−253	−409	−815
Balance	94	−1,173	7,110	21,155	19,887	19,982
Loans to International Monetary Fund	.....	−495	495	495	.....	.....
Other cash and monetary assets	−1,513	887	3,375	26,153	28,552	27,040
Total cash and monetary assets	19,139	18,977	6,344	87,586	87,425	106,563
Net Activity, Guaranteed Loan Financing	−5,500	−5,240	−457	−14,362	−14,102	−19,603
Net Activity, Direct Loan Financing	5,280	[4] 18,124	11,472	65,289	78,133	83,413
Miscellaneous asset accounts	2,012	1,486	−203	−83	−610	1,403
Total asset accounts	20,930	33,347	17,157	138,430	150,846	171,776
Excess of liabilities (+) or assets (−)	−56,931	−123,749	−69,811	3,643,554	3,576,736	3,519,805
Transactions not applied to current year's surplus or deficit (see Schedule A for Details)	500	1,009	569	.....	508	1,009
Total budget and off-budget federal entities (financing of deficit (+) or disposition of surplus (−))	−56,430	−122,740	−69,242	+3,643,554	3,577,244	+3,520,813

[1] Includes a prior period adjustment to record securities previously redeemed.
[2] Includes an opening balance adjustment of −$1,763 million and an adjustment for year to date activity of $24 million to reflect the reclassification of securities held by government accounts in deposit funds.
[3] Major sources of Information used to determine Treasury's operating cash income include Federal Reserve Banks, the Treasury Regional Finance Centers, the Internal Revenue Service Centers, the Bureau of the Public Debt and various electronic systems. Deposits are reflected as received and withdrawals are reflected as processed.
[4] Includes an adjustment for −$289 million in August 1999 for the Small Business Administration.

... No Transactions.
(* *) Less than $500,000.
Note: Details may not add to totals due to rounding.

Mr. HOLLINGS. What I want to refer to is the line that says ''Total federal securities.'' That is the borrowing. You issued the securities to cover your backside. You have to do that by Friday, tomorrow, at midnight. I take it we will close down the Government unless we pass another continuing resolution. The U.S. Treasury report shows that at the beginning of this year we had a national debt of $5,478,704,000,000.

Now, Mr. President, I ask unanimous consent to print this table in the RECORD entitled ''Hollings Budget Realities.''

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

HOLLINGS' BUDGET REALITIES, JUNE 30, 1999

President and year	U.S. budget (outlays) (In billions)	Borrowed trust funds (billions)	Unified deficit with trust funds (billions)	Actual deficit without trust funds (billions)	National debt (billions)	Annual increases in spending for interest (billions)
Truman:						
1945	92.7	5.4	−47.6	.....	260.1	.....
1946	55.2	−5.0	−15.9	−10.9	271.0	.....
1947	34.5	−9.9	4.0	+13.9	257.1	.....
1948	29.8	6.7	11.8	+5.1	252.0	.....
1949	38.8	1.2	0.6	−0.6	252.6	.....
1950	42.6	1.2	−3.1	−4.3	256.9	.....
1951	45.5	4.5	6.1	+1.6	255.3	.....
1952	67.7	2.3	−1.5	−3.8	259.1	.....
1953	76.1	0.4	−6.5	−6.9	266.0	.....
Eisenhower:						
1954	70.9	3.6	−1.2	−4.8	270.8	.....
1955	68.4	0.6	−3.0	−3.6	274.4	.....
1956	70.6	2.2	3.9	+1.7	272.7	.....
1957	76.6	3.0	3.4	+0.4	272.3	.....
1958	82.4	4.6	−2.8	−7.4	279.7	.....
1959	92.1	−5.0	−12.8	−7.8	287.5	.....
1960	92.2	3.3	0.3	−3.0	290.5	.....
1961	97.7	−1.2	−3.3	−2.1	292.5	.....
Kennedy:						
1962	106.8	3.2	−7.1	−10.3	302.9	9.1
1963	111.3	2.6	−4.8	−7.4	310.3	9.9
Johnson:						
1964	118.5	−0.1	−5.9	−5.8	316.1	10.7
1965	118.2	4.8	−1.4	−6.2	322.3	11.3
1966	134.5	2.5	−3.7	−6.2	328.5	12.0
1967	157.5	3.3	−8.6	−11.9	340.4	13.4
1968	178.1	3.1	−25.2	−28.3	368.7	14.6
1969	183.6	0.3	3.2	+2.9	365.8	16.6
Nixon:						
1970	195.6	12.3	−2.8	−15.1	380.9	19.3
1971	210.2	4.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	15.5	−14.9	−30.4	466.3	24.2
1974	269.4	11.5	−6.1	−17.6	483.9	29.3
Ford:						
1975	332.3	4.8	−53.2	−58.0	541.9	32.7
1976	371.8	13.4	−73.7	−87.1	629.0	37.1
Carter:						
1977	409.2	23.7	−53.7	−77.4	706.4	41.9
1978	458.7	11.0	−59.2	−70.2	776.6	48.7
1979	503.5	12.2	−40.7	−52.9	829.5	59.9
1980	500.9	5.8	−73.8	−79.6	909.1	74.8
Reagan:						
1981	678.2	6.7	−79.0	−85.7	994.8	95.5
1982	745.8	14.5	−128.0	−142.5	1,137.3	117.2
1983	808.4	26.6	−207.8	−234.4	1,371.7	128.7
1984	851.8	7.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	40.5	−212.3	−252.8	1,817.5	178.9
1986	990.3	81.9	−221.2	−303.1	2,120.6	190.3
1987	1,003.9	75.7	−149.8	−225.5	2,346.1	195.3
1988	1,064.1	100.0	−155.2	−255.2	2,601.3	214.1
Bush:						
1989	1,143.2	114.2	−152.5	−266.7	2,868.3	240.9
1990	1,252.7	117.4	−221.2	−338.6	3,206.6	264.7
1991	1,323.8	122.5	−269.4	−391.9	3,598.5	285.5
1992	1,380.9	113.2	−290.4	−403.6	4,002.1	292.3
Clinton:						
1993	1,408.2	94.3	−255.0	−349.3	4,351.4	292.5
1994	1,460.6	89.2	−203.1	−292.3	4,643.7	296.3
1995	1,514.6	113.4	−163.9	−277.3	4,921.0	332.4
1996	1,453.1	153.5	−107.4	−260.9	5,181.9	344.0
1997	1,601.2	165.9	−21.9	−187.8	5,369.7	355.8
1998	1,651.4	179.0	70.0	−109.0	5,478.7	363.8
1999	1,701.0	223.0	120.0	−103.0	5,582.0	356.0
2000	1,744.0	243.0	161.0	−82.0	5,664.0	358.0

Historical Tables, Budget of the US Government FY 1998; Beginning in 1962 CBO's 2000 Economic and Budget Outlook.

Mr. HOLLINGS. I will show we agree that at the beginning of the year we have exactly that figure, 5 trillion 478 billion 7-some-odd-million dollars. Now, referring to U.S. Treasury Report table, you will find, under the column Close of This Month, the figure $5,606,486,000,000. So the table itself, according to the figures issued yesterday, showed the Federal Government ran a surplus. Absolutely false. This reporter ought to do his work. This crowd never has asked for or kept up with or checked the facts. Eric Planin—all he has to do is not spread rumors or get into the political message. Both Democrats and Republicans are all running this year and next and saying surplus, surplus. Look what we have done.

It is false. The actual figures show that from the beginning of the fiscal year until now we had to borrow $127,800,000,000.

That is increasing the national debt. That is the deficit, $127 billion. I checked this with the Congressional Budget Office. They haven't done their interpolation of the various records. I had been reporting, as you will find on the table inserted, a $103 billion deficit for this fiscal year, as of the CBO June 30 figure. I said: Wait a minute, it is way more than what we thought, if it is 127 rather than 103. They said there were some unaccounted balances carried forward, some $16 billion. So it might be, instead of 103, 112. Conscientiously, we are trying to give the truth to the American people.

We have those figures in this particular table. We can enlarge it for the viewing Senators here. That is exactly what I have said. We have a $5,487,700,000,000 debt. Now it has gone up. Instead of $5,582,000,000,000, it has gone to $5,606,000,000,000. So you can see, when we got to the end of the fiscal year, not the projections, not the guesses, or whatever else—we had a deficit of $127.8 billion. That is going up, up and away, because if you look at the previous year, we did better. Well, we didn't do better in 1997, the previous year, but I should say the deficits have been coming down. And they had projected, for example, next year, a $82 billion deficit coming down from the 127.8 billion. I should say 103 billion, as is shown on this particular chart.

Now, if instead of $103 billion deficit, it is going to $127.8 billion, you can see at a glance it is going to be another $100 billion deficit next year. Looking at the facts, you can find the editorial in the Washington Post to show we have already spent 30 billion of the Social Security monies. We are all running around in a circle saying, ''I don't want to touch it. No, I will not touch it.'' They have already touched it to the tune of 30 billion bucks, this Congress, the House and Senate, Republicans and Democrats, all of us.

We have to get the truth out. Even then, to create a surplus, they are

using these particular figures—we are discussing in another conference ongoing right at the minute—the airport trust fund. We have all kinds of dangers with respect to the airports. It is getting unsafe to fly. We need better radar. We need more runways. We need more airports. We need better controls, better control towers, everything else of that kind. We are being taxed for it. We all fly, and we pay the taxes as airline travelers. But $11 billion has been spent on any and everything other than airports. It shows that it is going up, under the budget, to $23 billion in 2004. We have the money, but we don't spend it on the airports or the highways. Reporters across this country have been writing these editorials to the effect that it doesn't make any difference whether we borrowed from it or not; these are just IOUs.

I don't want to be around here in the year 2012 when we don't bring in enough to cover our costs and we are going to have to raise taxes in order to make payments. That crowd in New York working the market, they could care less. They think in quarterly amounts, in the quarter of each year. If you don't do it by the third quarter, out you go. That is the CEO/Wall Street mentality. Ours should be the long-range. You have in the desk drawer right now $1.859 trillion in IOUs not only in Medicare but in military retirement, civilian retirement, and you don't want to talk Social Security. I don't want to touch the military retirement fund or borrow from the unemployment compensation fund, the highways, and the airports.

So we just bring that up for a moment of truth in the Senate. I want to show you this because there is another headline story in the paper about a one percent cut across the board, or 1.5 percent. They are looking for a way to cut $5 billion. Now we have the House, the Senate, the leadership, the White House, and we are trying to get out of here in the next 10 days—if we can only agree on how we are going to find $5 billion—either cut $5 billion in spending, or raise $5 billion in taxes, or do whatever we have to do to find a cut across the board. That is $5 billion.

Here is what happens. Right now the estimated interest cost is $356 billion. I don't have an updated figure on that. I know since we have had two interest rate increases by Mr. Greenspan this year, it is going to be more than that $356 billion. But going back to when we last balanced the budget, we had a surplus under President Johnson. They don't have to go back to Eisenhower when they kept a different set of books. Under President Johnson, when we were here and we had a surplus, the interest cost on the national debt was only $16 billion. Here, the interest cost on the national debt is $356 billion. If we just held the line and paid for what we got, we would have had, and would have this morning, not $5 billion, we would have $340 billion to increase the airports, to increase Medicare, to save Social Security, to increase defense. We could have a tax cut and we could pay down the debt if we had the $340 billion.

The headline ought to read: Last year we increased taxes. Why? We increased the interest costs because we increased the debt. When you increase the debt some $127 billion, you increase your interest costs, which are running right now at a billion dollars a day. You have to pay it. Worse than the regular taxes, such as sales taxes, for which you can get a school, or gasoline tax, for which you can get a highway—we get absolutely nothing for it.

Last year, this Government increased taxes, and they are determined to increase taxes today, this year, in the next two weeks—all the time talking about surpluses and about cutting spending, and all the time talking about cutting taxes.

Now, Mr. President, I yield the floor.

AFRICAN GROWTH AND OPPORTUNITY ACT—Continued

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Mr. President, I rise in strong support of the very important trade package that the Senate is currently considering. At a time when our global marketplace is expanding faster than ever, we need to ensure that the poorest countries around the world are not left behind.

This comprehensive package uses trade to promote economic self-sufficiency, at the same time allowing for broader access to American goods and services to these markets. While many believe the economic and financial answer for these underdeveloped countries may lie in direct financial assistance, I believe the answer is found by facilitating direct private investment.

I want to share with colleagues the plight of one of these countries which I experienced firsthand this past weekend. I spent 2 days in Haiti meeting with political, business, and humanitarian groups.

By far, the most dramatic portion of my trip was witnessing the extreme poverty and despair that grips that Nation. I saw the face of an economy suffering from 17-percent inflation and unemployment of between 60 and 80 percent.

Let me tell the story of one little boy I met. Only through a humanitarian organization and through the support of private donations is this 9-year-old boy able to obtain an education. As a tool to economic and democratic stabilization, aid is simply not enough. Many children just aren't able to stay in school. They are required to work in order to contribute to their families' survival.

Again, I make the point that for a good number of the people in Haiti, their per capita income is around $50 a year. A straight calculation of the per capita income is about $500. But if you look at the makeup of that distribution, you can see easily that there are literally millions of people in Haiti who live with a per capita income of around $50.

If these children are to have a future, revitalization and expansion of economic opportunities are needed to reach the goal of economic self-sufficiency. By creating a framework for using trade and investment as a development tool, the United States will be fostering reform at the economic base of these countries, taking direct aim at lowering unemployment and high inflation rates.

This legislation creates this framework by extending enhanced trade benefits to the countries of the Caribbean Basin. Since the passage of the North American Free Trade Agreement, U.S. imports from Caribbean countries have been at a distinct disadvantage. The measure would build on the existing Caribbean Basin Initiative program, often referred to as CBI, by providing additional trade benefits to Caribbean countries similar to that which Mexico and Canada currently enjoy.

Since its inception, CBI has had a significant positive economic impact on both the United States and the Caribbean countries, helping to promote regional security and stability of our Caribbean neighbors. Opening this market even further, particularly following the recent devastation inflicted by hurricanes, will help to stimulate job growth by increasing exports and expanding market access to these countries for U.S. businesses.

Another important component of this trade package establishes U.S. support for economic self-reliance in sub-Saharan Africa. The United States stands to benefit a great deal from a strong and prosperous Africa. By fostering growth-oriented economic policies, we will help support broader access to African markets for American goods and services. Sub-Saharan Africa makes up a market of more than 700 million people and is potentially one of the largest markets in the world. As economic reforms and market-opening measures spur growth in Africa, it will create new and bigger markets for U.S. exporters.

A particularly sensitive, albeit important, provision included in both the African Growth and Opportunity Act and the Caribbean Basin Trade Enhancement Act deals with textiles. The textile and apparel industries have historically provided the first step toward industrialization in many countries. This is because production is fairly simple, can be done on a small scale, and often uses locally abundant raw material.

In seeking to address the concerns raised by the U.S. textile industry, this legislation has sought compromise by restricting preferential treatment to apparel produced by U.S. fabric and yarns.

Additionally, this legislation provides strong protections against illegal transshipment of goods through Africa

or eligible CBI countries. We need to ensure that these countries do not become stop-over points for products from countries not eligible for preferential treatment under the legislation.

International trade has been an important part of the growth we have enjoyed in the United States. Since 1994, international trade has created more than 11 million American jobs, and accounts for 30 percent of our Nation's gross domestic product. Imports have helped to hold down inflation, lower the cost of production, provide greater choice to consumers, and have given incentives to raise productivity.

As emerging markets seek to grow, it is important that the United States take the lead in offering these countries incentives to continue their economic reforms. By doing so, we will be providing the citizens of these emerging countries with more jobs, more opportunities and genuine hope. I believe a strong trade relationship is the best form of ''foreign assistance'' we can offer another country.

I thank the chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I want to address some of the statements made about the process unfolding, allegations that the majority leader has tied up the process.

The truth is, we have strong bipartisan support for this legislation. The majority leader has tried to protect the 80 or 90 Senators who support the bill to make sure we focus on the merits of the bill and not on extraneous issues that are calculated to block progress.

My friend and Finance Committee colleague, Senator CONRAD, indicated, for example, he wants to raise some amendments on agriculture negotiating objectives and trade adjustment assistance, and these amendments are relevant and should be debated. They could be, if our friends on both sides reach agreement to work together to table nontrade amendments. That is what we should be about.

Let's work together on this and begin to focus on our efforts on the bill. Let's not concede the debate to the opponents because of their procedural tactics. Let's focus on getting this bill acted upon, which is good for America as well as the CBI.

Time is running out. I think it is critically important that we bring about a process where we can move forward on this most critical piece of legislation. What concerns me is it is time sensitive.

For example, GSP has already expired. That not only works against the interests of the Third World developing countries we are trying to help, but it works against the best interests of American companies that depend on this source of supply for their material.

Yesterday, the distinguished ranking minority leader of the Senate Finance Committee made a very eloquent statement about the importance of trade adjustment to the workers who are dependent upon it. Let me emphasize, these are American workers—about 200,000.

Mr. MOYNIHAN. Mr. President, 200,000 this year, up from 150,000 last year. This is not a diminishing program. As trade grows, this number grows.

Mr. ROTH. I ask the distinguished Senator what will happen if we do not act on this legislation with respect to these American workers?

Mr. MOYNIHAN. We will have broken our word to them, that by accepting open trade policies in the aftermath of which there would be dislocations, the economy at large and the society would make arrangements for them to transfer to other work with other skills. There is no reason to think that won't happen, but without assistance it won't, and we will have broken our word which we gave 37 years ago. President after President after President has reaffirmed this, as the Senator has in this bill.

Mr. ROTH. Let me say to my distinguished friend, many years ago when the legendary Russell Long was chairman of our committee, the TAA was about to expire and no one was trying to save it. The chairman was about to rap the gavel to move on to other things. I said: Just a minute, sir. We have a commitment.

That is exactly what the Senator is claiming now. I am proud and pleased to say the legislation was continued.

It is a matter of significant concern to thousands of American workers and their families who are depending upon it. The purpose of this program, of course, is to enable these workers to be trained for new jobs, for new opportunities. We have an economy where there are, indeed, many jobs available. It behooves all to work to expedite action on this important piece of legislation.

The other point I want to underscore and emphasize, and it has been addressed eloquently by the distinguished Senator from New York, who brings so much historical background into this picture, if we don't act on this legislation, it is a denial of liberal trade policies of the past how many years—35 years?

Mr. MOYNIHAN. Sir, I go back to Cordell Hull and the Reciprocal Trade Agreements Act of 1934 which put in place the present system. As the Senator knows—I know our friend from South Carolina doesn't agree—the Smoot-Hawley tariff was a catastrophe. We have not had a tariff bill on the Senate floor since.

We now are in a difficult situation with every President, Republican or Democrat, reaffirming. A legitimate point is made that President Clinton didn't send up a request for fast-track authority in 1995; it has been delayed and we haven't gotten it. If we haven't gotten the CBI, which President Reagan promised, if we haven't gotten the African agreements, we haven't gotten trade adjustment assistance, what do we take to Seattle for the conference of the World Trade Organization?

We go as if we had thought there never should have been such an organization and didn't want it around. Why is it meeting in the United States?

Ten years ago one would not have imagined this moment.

Mr. ROTH. That is absolutely correct.

The distinguished Senator raises a most important point, going back to the need for action being taken now. The meeting of the WTO to be held in Seattle is an extraordinarily important event. It can bring about some very significant progress for this changing world where we are increasingly involved in a global economy.

It is incomprehensible that on this legislation, which has broad bipartisan support on both sides of the aisle, and has the support of the President of the United States, no action will be taken, thus giving the wrong signal to our friends, allies, and trading partners around the world as to our seriousness about moving ahead on trade policy. It looks as if we cannot take action.

Regarding fast track—and I appreciate the support Senator MOYNIHAN has given in committee—we have certainly tried to push fast track. We believed it was critically important this President, as every other President, have that authority. Unfortunately, it never happened.

Mr. MOYNIHAN. The floor not being exactly teeming with Senators wishing to join, Mr. President, this is the point: We are at a critical moment; where is the Senate?

In the absence of the Senate, let me offer some statistics about the centrality of trade. The crash of 1929 is part of American myth, tradition, history. One does not know much about American history if one does not know about that. In the aftermath, in 1930—the crash of 1929 came in October—our GDP dropped 9 percent. That is a pretty hefty drop, but stock markets go up and then they go down. When they are up, there are bargains made by selling; when they are down, there are bargains made by buying. It tends to be cyclical and does not necessarily change that much in the real world. I say again, in 1930, GDP dropped 9 percent; in 1931, it dropped another 6.4 percent. Again, that is a drop, but it is leveling off.

It was before we understood the business cycle very well, before just-in-time delivery, before countercyclical financing. The American world had never heard of John Maynard Keynes. There was learning going on, but it hadn't gotten to us. The Federal Reserve Board responded to the crash by tightening credit. They would never do that today, and they know why; they will show why in numbers.

Then came the impact of Smoot-Hawley in 1932 and the gross domestic product dropped another staggering

13.3 percent. That is when it really hit. At the same time the British had created the idea of free trade by long argumentation, good argument—reeling from Smoot-Hawley, went onto Empire Preference. They drew in and they would deal with Canada and India and New Zealand but not with Europe, not with Germany. Recall it was the Economist magazine, which I understand now has a larger circulation in the United States than it does in Britain but comparably the same readership, was founded to advocate free trade as an economic principle that worked. It did work. Great theorists such as Albert Imlah demonstrated that in the aftermath.

The Japanese, having the market here closed to them, they went to a Greater Far Eastern Coprosperity Sphere, which is a long way of saying a Japanese empire; and they invaded Manchuria, which is another way of saying China, and they began that process which ended in Hiroshima.

In 1933, the same 1933 the year after GDP here dropped 13.3 percent, unemployment was so high and social stability so weakened that a frightened German middle class elected Adolph Hitler to be Chancellor. He was chosen in the Reichstag. The rest is history.

I joined the Navy in 1943, at age 17, and a lot of other people around here did. Maybe not enough people around here did. They don't remember.

Mr. ROTH. I was one of them, I might say.

Mr. MOYNIHAN. You joined on, yes, sir. It was our generation.

Mr. ROTH. That is right.

Mr. MOYNIHAN. That is what we were there for, to fight wars that needn't have happened had the world been wiser. Not just about trade, of course not, but don't underestimate trade. We are not just talking about profits.

Mr. ROTH. Could I ask a question of the distinguished professor? We are enjoying, today, one of the greatest periods of prosperity, 8, 9 years or so, this country has undergone. Unemployment is lower than anyone would ever have predicted a few years ago. The future of this country is bright. It was only about 10 years ago everybody was predicting the United States was going down the drain and Japan was becoming No. 1. But the contrary has happened. In this period of time, we have enjoyed the liberal trade practices that began many, many years ago—what was the year?

Mr. MOYNIHAN. In 1934.

Mr. ROTH. In 1934. How can you explain the prosperity of this country, which has the most open markets of any, if not put it on the basis that a liberal trade policy does work? Unfortunately, there are some industries and some workers who do suffer. That is the reason we have TAA, to help them make the adjustment.

Mr. MOYNIHAN. Right.

Mr. ROTH. But overall, our country has never had a longer period of growth and prosperity than we are enjoying and have enjoyed. It has been enjoyed under two Presidents.

Isn't it ironic we are here debating whether or not we should extend these policies that have worked so well to a few countries that are in need of some support and help? It will not only work in their interests, but again it will work in our interest, as I think the Senator pointed out, starting with the growers of cotton, people who make the fabrics, the apparel, the wholesalers, the retailers, and the consumers. It seems to me it is almost unbelievable anyone would argue to the contrary, that we should not continue on this path of a liberal trade policy.

Mr. MOYNIHAN. Mr. Chairman, we have now reached the point where you and I are alone on the Senate floor as one of the epic decisions of this decade is about to be made. One asks Senators who might be listening: Where are you?

But the answer to your question, sir, is our learning has truly expanded. We know more about this. I mentioned 1933. In that year, John Maynard Keynes published a book in the United States called ''Essays In Persuasion.'' It appeared the previous year in Britain. He already had a pretty good record. He wrote that great essay, ''The Economic Consequences of the Peace''—of Versailles. He was on the British delegation as an adviser, and he said: It is going to be awful. Germany is not going to get over this.

That is a very famous essay—and it is sort of a joke. Winston Churchill became Chancellor of the Exchequer around 1926 and went back, took Britain back on the gold standard. He wrote an essay called ''The Economic Consequences Of Mr. Churchill,'' which he thought were pretty grim. And they were.

But, in 1933, in this book, ''Essays In Persuasion,'' he had an introduction. It is really essays over the years. He said: The economic problem is just a giant muddle. He said: We will figure it out. We will get through it. He said: I estimate by about the year 2030, we will have it pretty well under control and we can go on to other issues in life.

The Senator mentioned the existing expansion, the period of expansion. In February of the coming year, that will be in about 4 months, we will completed a period of sustained growth of 107 months, the longest in history—unless we start killing it, which is what we seem intent on doing. Of course there are dislocations brought about by trade. Joseph Schumpeter—had it not been for the Great Depression it is generally thought Schumpeter would be regarded as the greatest economist of the 20th century. He is an Austrian, ended up a professor at Harvard. In his book ''Capitalism, Socialism & Democracy,'' he speaks a phrase now in wide use, of the ''creative destruction of capitalism.'' Sure, there comes a time when shipping the cotton to mills in New England no longer makes sense. They want to have mills in South Carolina. ''Bring the mills to the cotton,'' as the phrase was. It did make sense. The next thing you know you had empty mills all up and down the river in Lowell, MA, and, I might say, in Gloversville, NY, and such like.

Yes, but did that put an end to life in Massachusetts? No. The next thing you know, Route 128 is creating enormous economic growth spurred on by computer companies. That destruction is creative because it brings better uses of resources into play. You get more than you had. Trying to keep just what you had is a formula for ruin—well, not for ruin, but for stagnation. I speak with some temerity. I was once our Ambassador to India, and I saw it happen. Tariffs you could not get through, government purchasing. The Soviet Union——

Mr. ROTH. That is correct.

Mr. MOYNIHAN. The Soviet Union, sir, what was that? Oh, yes, that was the place that was going to take over the world.

I remember a meeting in Bucharest of world trade advocates at the time. It was an international conference about the developing world. The Soviet delegate absolutely swept the conference with an announcement that, as of this moment, as a gesture of solidarity with our friends in Africa, in Latin America, in Southeast Asia, the Soviet Union is abolishing all tariffs of imports from those countries.

The conference went wild, but no one stopped to think: But, wait a minute, the Soviet Union doesn't have tariffs. Everything is bought by the government and put through collective enterprises, all of which were in ruins and eventually collapsed. This was 20 years before the whole system imploded.

We are talking for democracy, talking for vitality, talking for expansion, talking for a tradition. As Jerry Ford said yesterday in the Rotunda, he came to Congress as a social moderate, a fiscal conservative, and a determined internationalist. He was right. Can it be we have forgotten all that?

I say, again, before I yield the floor, at a critical moment in our economic history—a critical moment—we are hours away from ruinous indecision. There are three Senators on the floor. It happens we are all friends, perhaps have gotten to be more friends because we have been on the floor together for 2 days now. It is hard to understand.

Mr. ROTH. Can I make one further observation and get the Senator's reaction to it? The irony of what is before us is, if we enact this legislation, it will help the very industries about which we are concerned.

Mr. MOYNIHAN. Sure.

Mr. ROTH. It is, as we have said before, a win-win situation.

Mr. MOYNIHAN. It gives them a different mix of costs and profits, and that turns out to make them viable again.

Mr. ROTH. I point out it is projected by the industry itself that adoption of this legislation will create in the next

5 years approximately 121,000 jobs, that it will result in markets exceeding roughly $8.8 billion. The purpose of this legislation is not only to enable the textile industry, for example, to compete better at home but also to be in a better position to compete abroad in other markets. If we do nothing, as has happened in the past, we see, for example, the Chinese exports increasing.

Mr. MOYNIHAN. Right.

Mr. ROTH. What we are trying to do is make us more competitive in the industry so that it not only helps the economy but, most important, creates jobs within the industry.

Mr. MOYNIHAN. Mr. President, the chairman is doing this for the American worker. If you think otherwise, think back to opposite policies and what they brought the American worker in the 1930s. Don't think we cannot make those mistakes again. We knew enough not to do it then. We did not know exactly why. But 1,000 economists wrote President Hoover, who was a sensitive and an intelligent man. Nothing quite like that happened before; nowadays we get 1,000 a day. They said: Don't sign that tariff bill, Smoot-Hawley. Don't sign it, they said. Well, he did. It cost him the Presidency, but that is the least of it. I thank the Chair, and I yield the floor.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Delaware.

Mr. ROTH. Mr. President, yesterday, I began making some comments in answer to critics of the proposed legislation, and I want to take a few minutes to continue to answer those negative comments.

One of the questions that has been asked is: Won't this legislation result in the further erosion of America's manufacturing sector?

None of my colleagues who have risen in opposition to this bill have addressed its specifics. The reason is that, unlike the House-passed Africa bill, the Finance Committee measures are drafted in a way that ensures a benefit to the American industry as well as our African, Caribbean, and Central American trading partners.

I made passing reference just now to the specifics and how it would impact on the industry and the American worker. What my colleagues who oppose the bill have done is raise several general arguments against trade that I thought might still be helpful to address.

One of the arguments that falls in that category is the argument that trade has led to an irreversible decline in U.S. manufacturing, and that any trade measure, even this one, would simply worsen that decline. Let me take that head on.

America is not losing its manufacturing sector. By any measure, it is doing a lot better than some of my distinguished colleagues seem to think. There is no question that manufacturing has declined as a percentage of the U.S. economy. Manufacturing, as a portion of GDP, has declined steadily since 1960, from 27 percent of GDP to 17 percent of GDP by 1996. But does that mean the United States is losing in the international arena? The answer is no.

According to the International Trade Commission, all industrial countries have faced a similar percentage decrease in manufacturing as a share of GDP from about 28 percent in 1970 to about 18 percent in 1994.

Does the decline in manufacturing as a percentage of GDP mean that American industry is in decline and output is falling?

Again, the answer is no. In fact, America's industrial output expanded 62 percent for the period from 1977 through 1996. Let me repeat. The fact is, America's industrial output expanded 62 percent from 1977 through 1996, a period that critics of our trade policy think of as the worst stages of our industrial decline.

American manufacturing added a net figure of 4.4 million new jobs during that same period, or an increase of 31 percent in employment in the manufacturing sector.

These are very important statistics, I believe. It bears out what the distinguished Senator from New York was just pointing out.

Are we being beaten in this measure of international competition? Again, the answer is no. According to a most recent edition of the Economist, which I think is one of the best periodicals available today, American industrial production is up by 35 percent over 1990.

During that same period, Japanese industrial growth fell by 5 percent. What a contrast. Ours grew by 35 percent; Japan's fell by 5 percent. This was the world where our country was going to be down and Japan was going to take over.

Industrial output in Germany has remained a sluggish 4 percent over the same 10 years, while French and British industrial production grew by only 8 and 9 percent, respectively.

Is there employment available for those workers who have lost their jobs due to an increase in productivity? As Senator MOYNIHAN and I were commenting earlier, the answer is yes. We have never seen such low unemployment as this country is enjoying today.

The American economy currently enjoys the lowest unemployment in history and rising wages across the board, even for the unskilled who have dropped out of school rather than finishing their education.

Mr. MOYNIHAN. Would my friend allow me to make a comment in the form of a question?

Mr. ROTH. Please proceed.

Mr. MOYNIHAN. In terms of how we are progressing and what we are learning, the Senator mentioned we have the lowest unemployment rates in 30 years, and for the longest time we also have had the lowest inflation rates.

Mr. ROTH. That is correct.

Mr. MOYNIHAN. Twenty years ago, statistics proved that was not possible. There were something called the ''Phillips Curve'' that said: There is a trade-off; the lower your unemployment rate goes, the higher your inflation rate goes. And everyone said, oh, God, we can't get the unemployment rate down too much because that will spark inflation.

If I can just be reminiscent and tell war stories in this crowded Chamber, where I see we are back to three Members—well, the distinguished Senator from Illinois is presiding; and it is an honor to have him in the Chair—in 1963, the Council of Economic Advisers, then chaired by Dr. Walter Heller of the Kennedy administration, was putting together the economic report. This report was created by the Employment Act of 1946 which gave us the institutionalized, countercyclical economic notions.

They said: We should have a goal; we should set as a goal for the country an unemployment rate of 4 percent. Now, it won't be easy, but we should be bold.

In the Labor Department we were sort of distressed because we had dreams of unemployment below 4 percent. So we got them to change the text and make it an interim goal of 4 percent—again, a dream.

Sir, we now are routinely close to 4 percent, have been for almost a year. Thirty years ago, it was something you could not imagine. In a rousing economic report—if there is such a thing—you could say, let's do things that are unimaginable. Now we do not even notice when they are reported every month. It is working. Why put it in jeopardy?

Mr. ROTH. I could not agree more with what the Senator just said. I think this is one of the brightest periods in history with respect to our country. I think there is enough credit for everyone to claim.

Mr. MOYNIHAN. Sure.

Mr. ROTH. But I think the——

Mr. MOYNIHAN. But, sir, would you allow me? If we let this calamitous event take place of bringing down this trade bill there will be plenty of blame to go around, too.

Mr. ROTH. I agree with you.

Mr. MOYNIHAN. To go around and around and around.

Mr. ROTH. As you and I have pointed out, a majority of the Senators on both sides of the aisle are supportive of this legislation.

I do wish some of those who are supportive would come down and give their reasons why it is so important that we move ahead with this legislation. It would be a shame if we lost this opportunity to take a step forward. Because, if I might say so, we are not only losing the opportunity to act on this legislation, which in and of itself is so important, but it helps give what I think is the mistaken message to the world that we are no longer interested in liberal trade policy, particularly in view of the fact that we will be going, hopefully, out to Seattle in a few weeks to take the next step forward in

broadening and liberalizing markets, making them more accessible to everyone, which, of course, is particularly in our interest because the United States has the lowest tariffs, the most open markets. It is important that we move ahead and begin to negotiate access to other markets.

Mr. MOYNIHAN. May I inquire, will you say that again and again and again? The United States has the lowest tariffs of any major economy in the world.

Mr. ROTH. That is correct.

Mr. MOYNIHAN. The only outcome of having negotiating power and a negotiating round is to reduce the tariffs of other people.

Mr. ROTH. Absolutely.

Mr. MOYNIHAN. And it is in our interest to do it.

We have heard talk about the subsidies of the European Union, and so forth. You do not get anywhere with subsidies.

Mr. ROTH. That is right.

Mr. MOYNIHAN. You get elected 1 year, and so forth. But the economy doesn't.

Mr. Chairman, thank God, you are where you are. But where, sir, are the others?

I see our distinguished friend is in the Chamber. We have reached a critical mass. There are five Senators in the Chamber—six. Yes, six. Perhaps the word is getting around that something of great consequence is going to happen today—or not.

Thank you, Mr. Chairman.

Mr. ROTH. Thank you, I say to Senator MOYNIHAN.

Mr. President, I yield the floor.

Ms. LANDRIEU addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. I thank the Chair.

I come to the floor today to add my voice in support of this very important piece of legislation in the hope that, as we continue to talk about the great strengths and characteristics that make this a good bill and the importance of continuing this open trade, we can build enough support to pass it, to get over whatever procedural hurdles are present.

I thank the Senator from New York and the Senator from Delaware for their bipartisan leadership. With all due respect to the opponents, let me make a few points about this African Growth and Opportunity Act.

When the United States can do something that extends opportunity to countries that need our assistance while at the same time benefiting American workers and industry, I believe we should take that step. We can, by voting for this bill, elevate the commercial exchange between Africa, the Caribbean, and Central America—hopefully, if that piece can be added—and the United States. That is what this bill attempts to do.

My State, Louisiana, is smart and blessed to have positioned itself at the mouth of the Mississippi River. It is how our State began. It is how the city of New Orleans and communities began hundreds of years ago and developed into a State.

It is impossible to overstate the river's importance to the economy of our Nation, but the Mississippi River is more than just a way to move goods within the United States. It is also the primary artery for north-south trade among the United States, Canada, and developing countries to the south. And therein lies so much potential for them and for us. At this time, much of America's trade flows in an east-to-west direction, between Europe and the east coast or Asia and the west coast. We have all benefited, some to a greater degree than others, and there have most certainly been changes, but we have all benefited from that flow. While Louisiana benefits and participates, it does not make use of Louisiana's national geographic advantage.

We will continue to benefit in an even greater way by increasing the north-south flow. For this reason, when the United States has the opportunity to increase trade on the north-south axis, I can be confident we will increase those benefits to our State and the Nation.

Although it has come under some criticism, the best example for Louisiana is NAFTA. By promoting trade among Mexico, the United States, and Canada, NAFTA moves goods along a north-south corridor that naturally produces growth for our State. The results have been quite dramatic.

In 5 years since NAFTA was enacted, Louisiana's trade with our partners has increased 134 percent. Louisiana's exports to Mexico alone were up 34 percent last year. This trade increase supports over 10,000 jobs in my State and is growing every month. Thus, from the standpoint of enlightened self-interest, the majority of people in Louisiana support the expansion of trade between our other southern trading partners in Latin America, the Caribbean, and, yes, Africa.

This bill is also about the United States paying more attention, serious attention, to a continent we have in many ways ignored. Such an effort is too long in coming. Until now, United States policy in Africa has really operated in two modes: benign neglect and cold war gamesmanship.

Our Government poured aid into Africa when it was an active battleground in the ideological struggle of the cold war. We made many mistakes in our efforts to be helpful. We supported governments that paid only lip service to democratic principles and cared little about the infrastructure necessary for a modern market economy. Much of our aid was wasted—I am sure some of it went to very good use—and the series of wars and human tragedies have left the American people somewhat jaded about the prospects for real reform in Africa.

Our neglect of this continent, with some exceptions, obviously, is starkly pointed out by our trade and investment statistics. Only 1 percent of all United States foreign direct investment goes to Africa. Of that 1 percent, half of it is in the petroleum sector, which obviously we, in Louisiana, know something about. The majority was concentrated in only five countries. That leaves 43 other nations in Africa with virtually no contact with the American system of free enterprise.

I believe the American people understand this is a continent we cannot afford to leave behind and we cannot afford to develop a society in this world of haves and have-nots. The stresses that such disparities produce inherently rip at the fabric of our society, cause upheaval, and ultimately can, as we have seen on occasion after occasion, decade after decade, century after century, turn to severe violence and war.

The disparity between the United States and nations such as Tanzania or Malawi makes the difference between the rich and poor within our own country seem laughable. Yet we wonder where rogue nations come from. We wonder what prompts them to act in violent and, in our idea, irresponsible ways. When people in our country are not vested in the development of our society, when they believe they have nothing at stake in the community, crime and violence result. The international community is no different.

Would the Sudan be a rogue state if it had a serious trade relationship with the United States and Europe? I do not believe so. Unfortunately, much of Africa finds itself ignored and divested from the world community. Again, the figures paint a stark picture. For 20 years, the gap between the level of economic development in Africa and the rest of the world has not closed; it has widened. Declining commodity prices cost Africa $50 billion in export earnings. This is twice as much as they received in foreign aid between 1986 and 1990. Fifty percent of all Africans live below the poverty line; 40 percent live on less than $1 a day. And debt service claims over 80 percent of Africa's foreign exchange earnings.

It is no wonder that, given this bleak picture, trade relations with Africa need a jump start, not only for Africa's benefit but for our benefit, for South America, for the Caribbean, and for every State in the Union, particularly those that have the infrastructure to offer for north-south trade.

The African Growth and Opportunity Act would open up American markets to apparel and other goods produced in Africa, but with the right percentages and the right mechanisms and methods for much of those goods and services to also have value added here, which would preserve jobs.

As the amazing growth of East Asia has demonstrated, apparel is a natural entry point into manufacturing and a natural source for more robust trading relations with the United States and Africa.

The Senate version of this bill ensures the benefits of this relationship will not be one-sided but will be mutual, as only apparel utilizing American-produced textiles will receive the GSP benefits. Thus, a steady two-way traffic can develop between the United States and Africa. Such a system of mutually beneficial trade can only enhance prospects of further American investment and interest in the African market, creating jobs both there and here.

For my home State of Louisiana, this is a very good deal. My friend and colleague in the House of Representatives, BILL JEFFERSON, has been one of the principal advocates for this legislation because he understands the mutual benefit for our State and many States in this Nation and this continent. Furthermore, as home to one of the most significant ports in the world, trade in either direction translates into highway jobs for citizens of Louisiana.

With regard to the criticisms of some of my colleagues relating to the dangers of labor standards and environmental degradation, I take these critiques and critics very seriously. I, for one, most certainly don't want to be a part of any trade relationship that does not promote good and progressive environmental policies and labor policies. The only long-term answer to both of these problems is economic growth. No country will address labor relations when 50 percent of its people live in poverty. No country can protect its environment when people are struggling to be kept alive. Poaching, deforestation, slash-and-burn agriculture, these are all the results of too little trade, too little investment, and too little exchange with more developed countries.

This is not to say we should abandon American standards and principle—to the contrary—but, rather, we should look at what has happened in Southeast Asia. As those economies have grown, so have wages and so has concern for the environment. Engagement is required because the status quo is even less likely to produce the kind of environmental goals we want to achieve and to address the rights of workers everywhere.

I am saddened to know that despite the importance of the African Growth and Opportunities Act, it is unlikely to receive a vote on final passage. The vast majority of this Senate, I believe, want this bill enacted. I understand that we are late in the year and procedural difficulties could absorb the little time we have remaining. However, I must say that when it comes to the question of world leadership, the Senate should make time for these kinds of discussions. The Senate floor has seen many items debated that have not enjoyed the broad-based support this legislation does. So I remain hopeful our differences can be worked out because this and other trade bills and provisions are so important to help us maintain the upward mobility we are experiencing in America, the tremendous growth of opportunities in jobs and wage improvements that can only help if these agreements are done in the right way in countries around the world and particularly throughout the Southern Hemisphere.

I just want to end briefly with a statement about the Caribbean Basin Initiative portion of this bill. I had the opportunity to visit Central America in the wake of the hurricane in Honduras and Nicaragua. They were devastated, set back over a decade or two, according to some analysts who spoke about the devastation that hurricane wrought. It was a terrible time for it to hit, just when they were coming into a democracy and when the economies were expanding. When I visited—as many Republicans and Democrats did—with the Presidents of these nations, yes, they asked for us to help repair their highways, and they asked for our military to engage, particularly our Reserves, which we were proud to send down to help them dig out and rebuild. The one thing they asked for more than anything was the Caribbean Basin Trade Initiative so that they could work themselves up, so that they could help produce new jobs, not only in the Caribbean, not only in South America and Central America, but here in the United States of America.

So let us learn from the past. Let us look confidently toward the future. Let us not cower back because the rules may be different and because globalization is upon us. Let us be brave and go forward, recognizing that global trade brings wealth and opportunity, and not only more to our Nation, but it is the only thing that is going to help close the tremendous gap of wealth in this world, which, if we don't close, will produce nothing but unrest, violence, and war in the future.

So for all those reasons—primarily for economic development but also for world peace—let us be about the business of trade. That is what today is about.

I yield the floor.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mr. ROTH. Mr. President, the critics of an open and forward-looking trade policy would prefer to avoid a debate about the actual facts regarding the United States economy. Let me give you some examples.

According to the International Trade Commission, from 1970 to 1997, the percentage of U.S. GDP involved in international trade more than doubled—from 11 percent of GDP to 25 percent of GDP. If the opponents of this bill were right in their criticism of U.S. trade policy, the United States should be facing a precipitous economic decline. In fact, the United States' GDP roughly quadrupled over the same time period from $2 trillion to $8.2 trillion.

If the opponents of this bill were correct in their criticisms of our trade policy, we should have seen a dramatic rise in unemployment along with the predicted decline in output. In fact, from 1970 to 1997, the American economy produced a net increase of 33.5 million jobs.

To put that in context, the American economy produced more than three times the number of new jobs than the entire G–7 industrial countries combined. Rather than facing the double-digit unemployment that Germany faces, U.S. unemployment stood near 4 percent.

The opponents of this bill often finger our trade policy as the culprit in a decline in real wages from 1978 to 1997, because trade as a percentage of our economy doubled while real wages fell. In fact, while wages fell, the overall benefits of the entire package of compensation and benefits offered to workers actually increased by 2 percent.

That is not to deny that there is a growing gap between the pay of our highest paid workers and our lowest. There is little doubt that this gap has grown.

But, we owe it our to ask three basic questions? First, is the gap, in and of itself, a problem if everyone is better off? Second, is the gap attributable to trade as the critics complain? Third, is slowing the pace of trade liberalization, or, worse yet, the imposition of actual restraints on trade, the right policy to remedy the inequality in wages?

As to the first point, the growing gap in wages is not necessarily a problem if everyone is better off at the end of the day. As noted above, while wages fell at the low end, the overall package of benefits increased over the past two decades. Furthermore, real wages are once again on the rise, including at the low end.

But, even if wages were, in fact, stagnant, trade would help. Trade makes a broader range of higher quality goods and services available to all wage earners in the economy. In other words, trade helps ensure that even the lowest paid sectors of the economy can get higher value for their dollars than would be the case without the competition trade brings.

As for the second question, whether trade is the culprit in wages in equality, the answer is that trade has some impact, but not as much as the disparity in income between different levels of education.

Education also gives you the tools to remain flexible as the conditions of your current employment changes or as employment changes generally. That is why the economy pays a premium to those who made the sacrifices it takes to succeed in getting a high school education, a college education, and post-graduate education as well.

Our economy rewards academic achievement. There is no doubt about that. But, should we change that? Should we eliminate any incentive to achieve a higher education as a way of eliminating the wage gap? Few people would suggest that that is an appropriate response.

But, that really focuses our attention on the third question—whether slowing the process of trade liberalization or imposing trade restraints is the right answer to address the wage gap. The answer is no!

Imposing restraints on trade would, at best, be an indirect, inefficient, costly, fourth-best option. If the disparity in wages relates to academic achievement, trade restraints will not address the problem, much less solve it.

Indeed, if the problem is one of encouraging improvements in our educational system and encouraging our youth to remain in school, imposing restraints on trade is simply self-defeating. Trade restraints will do nothing to improve educational standards or improve school attendance or achievement. It will simply impose higher costs on consumers.

And, on whose shoulders will those higher costs fall? Those higher costs will fall disproportionately on the lowest economic sectors in our society. In other words, the burden of trade restraints will fall on precisely on those groups that the critics of trade purport to want to help because of what they perceive as an inequitable gap in wages.

Why is that so? The reason is that trade restraints like tariffs and quotas are hugely regressive. Our highest tariffs fall on staples such as food and clothing.

That is an inconvenient fact that the critics of trade would prefer not to publicize. What that means is that those workers that now receive relatively lower wages would pay the cost for any increase in trade restraints, which would exacerbate the inequality between the high and low end of the pay scale, rather than reduce it.

If we actually want to do something about wage inequality, we should avoid using the gap in wages from the high end to the low end as an excuse to provide protection for certain industries in this country and impose higher costs on consumers. Rather, we should be concentrating on improving our primary, secondary, and post-secondary education.

That is but one of the appropriate responses to the rising wage gap. But I understand the arguments that you can't take a former textile worker and retrain him to be a computer programmer.

That is why we should also pursue policies that will increase the amount of capital flowing within and into the United States.

This helps those at the bottom in two ways. If the amount of capital increases relative to labor, it will demand more labor to fully employ itself and appreciate in value.

It also raises the productivity of those at the bottom, making them more valuable, and they will be rewarded for such productivity accordingly. This can summed up succinctly by one question—which high-school level worker gets paid the most to dig a hole, the one who uses a spoon, a shovel, or an excavator? The answer is obvious, and the difference between the three is not education, but the capital that they employ to produce.

Ultimately, all economic growth is the result of risk-taking on new ideas that increase our productivity—thereby increasing our standard of living. When we lower the government barriers to risking capital, like we did in the Taxpayer Relief of 1997, which included a large cut in the capital gains tax, the creation of the Roth IRA, and cuts in the estate tax, capital becomes more abundant, fueling the real wage increases, stock market increases, and economic growth we have seen in recent years.

The stability of the dollar in the past two decades, as opposed to the turmoil of the 1970's, has also greatly contributed to capital formation, not only because the tax on capital is unindexed for inflation, but also because currency instability increases the risk associated with all economic activity.

When we lower these barriers and risks, those with capital will risk it on those without capital, but who possess a surplus of time, energy, talent, or ideas.

These ideas, anything from a better mousetrap to the personal computer, allow us to produce more out of less—raising living standards of all sectors of the wage base.

These are the most direct responses to the rising wage gap, and also the most efficient, least costly, and potentially successful answer to wage and income inequality. Calling for an end to trade liberalization will not help. Nor will opposing this bill.

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

The PRESIDING OFFICER (Mr. BUNNING). The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mr. HOLLINGS. Mr. President, it is a little difficult to have coherence with respect to this debate. I had hoped we would avoid getting back to Smoot-Hawley and even Hitler. I know Pat Buchanan—one of the enthusiasts for competitive trade—and I think he is right on trade. Unfortunately, he has suggested in his recent book we ought to be more considerate of Hitler. A notion that is pure nonsense.

On this issue, the Senator from New York cited Smoot-Hawley, the Depression, and Hitler. If you listen to the gentleman and are not fully aware of all the facts, one would think this is a bill to avoid a depression and avoid ''Hitlerism'' or some other possibility.

With respect to Smoot-Hawley, we had a good debate some 15 or more years ago. I will never forget it. The late Senator from Pennsylvania, John Heinz, and myself had to correct that record. We got the Don Bedell Associates study of Smoot-Hawley.

The crash occurred in October of 1929. That is when we all went broke. That could easily happen with what is going on right now, if some of the signs we are reading on the horizon come to bear. Not being an alarmist and being a realist, let's look at Smoot-Hawley.

First, it occurred some 8 months after the October 29 crash, in June of 1930. It did not cause the crash, Hitler, the Depression, or any of the other disasters of the thirties. On the contrary, it did not affect trade to any extent. The tariffs in question affected only one-third of our trade; two-thirds were unaffected—causing no impact whatsoever with respect to trade.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. HOLLINGS. Mr. President, continuing with respect to the amount of trade affected, it was just at a third or a little less. Trade itself was somewhere around 1.5 percent. There was some argument about it being 3 percent of the GNP. Now it is 25 percent.

I am trying to give a comparison so you get a feel of the exact impact upon the economy.

The tariffs in question affected only $231 million worth of products in the second half of 1930—less than 1 percent of the world trade. So it did not have any real effect on world trade.

In 1930 to 1932, duty-free imports into the United States dropped at virtually the same percentage as dutiable imports.

So what you do is you look at the effect of Smoot-Hawley, and look how unaffected free trade really was mostly due to the worldwide depression. But namely, talking about cause and effect, we are both discussing the effect, but not the cause; because the cause was not Smoot-Hawley.

When taken into account, Smoot-Hawley only affected a fraction of the trade. Only 33 percent of the $1.5 billion of U.S. imports was in the dutiable category. The entire impact of Smoot-Hawley has to be focused on the $1.5 billion number which was barely 1.5 percent of our GNP.

I have a better authority than any, I think, with respect to Smoot-Hawley. Paul Krugman, in ''The Age of Diminished Expectations,''—I finally found

his quote—and I am quoting from page 64:

Although protectionism is usually a bad thing, it is worth pointing out that it isn't as bad as all that. Protectionism does not cost our economy jobs any more than the trade deficit does: U.S. employment is essentially determined by supply, not demand. The claim that protectionism caused the depression is nonsense; the claim that future protectionism will lead to a repeat performance is equally nonsensical.

Mr. President, there you are. Any time they get in trouble and they do not have the facts with them, then they go off and try to get you into a miasma of history and how we have had bad times, and now we have good times—the best of times—and how we are going to create all of these jobs. The group that says it is going to create jobs is the same group mentioned in 1993 in Capital City's Media Women's Daily, where the article from November 16 states:

That was the battle cry Monday by directors of the American Textile Manufacturers Institute, who in a last-ditch effort to solidify congressional support for NAFTA, pledged not to move any jobs to Mexico in the pact as passed. The ATMI Board, made up of firms representing every facet of the textile industry, voted in favor of the resolution which said their companies would not move jobs, plants, or facilities from the United States to Mexico as a result of the North American Free Trade Agreement.

What are the facts? Dan River is about to build an integrated apparel fabrics manufacturing plant in Mexico. Tarrant Apparel purchased a denim mill in Puebla, Mexico; DuPont and Alpek are going to build a plant in Altimira, Mexico and form a joint venture with Teijin; Guilford and Cone Mills are to create a Mexican industrial park known as ''textile city''; Burlington Industries is going to build a new Mexican plant to produce wool products.

I hear about the 127,000 jobs that the industry says it is going to create. I heard that NAFTA was going to create 200,000 jobs.

I know categorically from the Department of Labor that we have lost 420,000 textile jobs since NAFTA was introduced. We have lost exactly 31,700 jobs in South Carolina alone. You only have to turn to the articles by Kurt Salmon Associates—and I quote from August of this year:

More textile mills are funneling plants and investment into Mexico to be closer to the cut-and-sew apparel factories that have already migrated south of the border, according to a new analysis. A flood of low-priced fabric and fiber imports from Asia has pressured domestic manufacturers to respond by seeking ways to cut their own costs.

The Kurt Salmon Associates report continues:

Since NAFTA's passage in 1994, Georgia has lost 28,000, plus two textile—30,000 apparel and textile jobs.

So we have lost 31,700 jobs. They have lost 30,000. That makes, as you go over through the other States and the other communities, some 420,000 in just textile jobs alone.

Rather than a balance of trade that they are talking about—a win-win situation, that the industry is for this, everybody is for it. We heard that cry before, too. It was going to create a positive balance of trade. We were at $5 billion at the time we passed NAFTA, a $5 billion-plus balance of trade. Now we have a negative $17 billion balance of trade with Mexico.

So the proof of the pudding is in the eating. As I said before, there is no education in the second kick of a mule. This NAFTA proposition that they are trying to spread to the CBI and the sub-Sahara at the same time, it reminds me of an insurance policy contest that they had for a company down in South Carolina years back. The winning slogan for the particular company was: The Capital Life will surely pay, if the small print on the back don't take it away.

Here we extend this to the CBI and then to the sub-Sahara; or to the sub-Sahara and then to CBI—either way. I think it is really going to the CBI; and it is going to be kept there and then taken away from the sub-Sahara. They are not going to invest all the way over into Africa when they all just pell-mell are going down there hand over fist to come into the Caribbean production.

I was just referring to Mr. Farley and Fruit of the Loom and how they have already eliminated 17,000 jobs in the Presiding Officer's State of Kentucky. They eliminated another 7,000 jobs in Louisiana. They have moved to the Cayman Islands. So they are foreign companies. It is getting to be where we have to sort of sober up and understand what the real facts are.

Trade, reciprocity—that is exactly what he called it—reciprocal trade policy of Cordell Hull back in the 1930s. We had reciprocity. We had a modicum of it even in NAFTA, even though it didn't work. But we had the side agreements on the environment. We had the side agreements for labor. We had reciprocity. We go down the list, and we find out now we are going to do away with all of the particular tariffs with respect to the United States for the CBI, sub-Sahara.

Let's see what the CBI—Dominican Republic has a 43-percent tariff; El Salvador—some of these include VAT, a value added tax—El Salvador, 37.5 percent; Honduras, 35 percent—this is all on textiles—Guatemala, 40 percent; Costa Rica, 39 percent; Haiti, 29 percent; Jamaica, 40 percent; Nicaragua, 35 percent; Trinidad and Tobago, 40 percent—the United States is already giving it the store. We have already lowered ours to 10 percent. There is a 5-year phaseout. We have had a 10-year phaseout of the Multifiber Arrangement. Now we are going into the fifth or sixth year, so we only have another 5 years. And the real impacts, the heavy reductions on the good traded articles—we do trade some in textiles—is going right on out of the window. So, yes, you have some fabric boys calling us and saying: Wait a minute, Senator, we are for this bill. That is shortsighted. It is just like all the apparel jobs—about gone.

What is happening, as Kurt Salmon Associates says, they want to locate the fabric plants near where the sewing is and where the apparel is. It is just an economy of production, an increase in productivity. So they are moving down there more and more. So the fabric boys are calling on the phone. Give them another 5 years, I can tell you here and now; they will be gone.

I know this: Any good businessman in textiles looking at this situation says, with 5 years—wait a minute—to put in this new machinery, this new spindle or otherwise—says: I can't get my money back in 5 years. It is going to take me 9 to 10 years to get my money back. I just don't buy it. I don't get productivity. And then the politicians will run around on the floor of the National Government hollering: They have to be more productive; they have to be more productive. And who has cut off the productivity? We have.

What about tariffs in Africa? Central African Republic, 30 percent; Cameroon, 30 percent; Chad, 30 percent; Congo, 30 percent; Ethiopia, 80 percent; Gabon, 30 percent; Ghana, 25 percent; Kenya, 80 percent; Mauritius, 88 percent; Nigeria, 55 percent; Tanzania, 40 percent; Zimbabwe, 200 percent. There they are.

What is really going to happen, from practical experience, is transshipments. Let me say a word about the transshipment problem. I will never forget. It was 1984; this Senator got 500 additional customs agents into the Treasury-Post Office appropriations bill, and they didn't hire them. We kept on pleading, and by the end of the 1980s, we finally got President Bush, and he put on some extra ones. But we haven't gotten any extra ones since that time.

We go to the customs agents, and they say yes, it is still at least 5 billion in transshipments, but they say: Senator, you want us to stop T-shirts or drugs? And you look them in the face and say: Well, of course you have to stop the drugs. They say: That is all we have got.

Now they are talking all over the Halls in both Chambers of a 1½ percent cut. And now we have just been educated by CBO that 1½ won't work, it will take at least 5.8 percent. And then if you don't, if you are going to exclude, say, defense and others, emergency ones, it is going to take an 11.8-percent across-the-board cut. So they are debating over on the House side right now is this so-called cut bill. But what they are debating is a cut in customs agents and a cut in enforcement.

Our African friends, I know they changed their vote with respect to human rights in the United Nations some 4 years ago or 5 years ago. We had passed a resolution in the general assembly, and we will set up the hearings. We never have had the hearings.

Our Chinese friends went down into Africa. They have made all kinds of

friends there over the years. I will never forget over 25 years ago when I was in Zaire, it was the Chinese building the railroad from the hinterland out to the coast, down the Congo. They have had all kinds of contacts down there with Nelson Mandela and many others. They will get their plants and transshipments, and they will be coming through Africa. And our folks will be working still at customs looking for drugs coming up from Colombia and South America and little inspecting will done concerning transshipments in the area of African trade.

In reality, you are really fattening the competition in the Pacific rim all under the auspices and the gist of free trade. Let's say we are going to allow our textile boys to compete with the Pacific rim industries. That is why I put in that book.

Do we have the book of all the fabric manufacturers? I don't want to put the entire book in, but we included just those entities that had invested already down in Mexico—referring, of course, to Davidson's Textile Blue Book. You can see here the fabric resource list. We will include all of these pages—not the book, but pages 345 through—well, just the fabric—well, we can include the yarns, too, natural fibers; they have yarn forward on 807, 809.

That is too much to include in the CONGRESSIONAL RECORD. Just on the fabrics, not just the yarns forward, would be 11 pages.

As I related on yesterday, all you need do is go from southern California into Tijuana, and you can see that you think you are going into Mexico, but it looks as if you are going into Seoul, Korea. There is nothing but Korean plants all over it. I have been there. I have traveled to other parts of Mexico. I think we ought to say a word, though, with respect to the wonderful economy we have. Do we have that article?

I was talking earlier about the economy and the devastating effect this would have on the economic strength, the security, of the United States upon a three-legged stool: One leg of values as a nation is unquestioned; the second leg, that of military and the only superpower left; the third leg of the economics has been fractured. They used the 17-percent figure, but the most recent figure I had of workforce and manufacturing had gone from 26 percent 10 years ago down to 13 percent. What happens is, since we are not saving here, I had the article where we are actually consuming more than our increase in productivity. If you can find that in here—I am not sure that is the same article I was looking at. It was three weeks ago in Newsweek where they pointed that out. Last week, Mort Zuckerman, in U.S. News and World Report, talked about the two levels of society and the split we have there.

We see signs on the horizon now of trouble. We are not pessimists, and we are not necessarily optimists; we are realists. As I pointed out earlier, the deficit at the end of last month for the fiscal year 1999 was $127 billion. It is not a surplus—not as they reported in a Washington Post story that was added earlier today to the RECORD—that said for the first time since the Eisenhower days we had back-to-back surpluses. That is absolutely false. It is a $127 billion deficit, according to Treasury figures. They could be interpolated by the CBO about funds carried forward. And it says there might be about $16 billion.

When my distinguished friend from New Mexico put this balanced budget law through in 1997, I said: If the budget is balanced under your act, I will jump off the Capitol dome. We knew it would not be. We know now it isn't. When you are still spending $100 billion more than you take in and you are increasing your deficit from last year, as we are going to do already this year, we just go pell-mell down the road. Your interest debt increases, your interest cost increases, and so your spending increases. And they want to give all kinds of tax cuts and spending.

I know I am on pretty solid ground. So when the President said—I wish I had that article of yesterday from the Washington Post. It was on page 3 or 4. I want to give some credibility to what I am saying. It is difficult when you are the only one saying there is a deficit. The newspapers say surplus, the President says surplus, the majority leader says surplus, the minority leader says surplus, the Democrats say surplus, the Republicans say surplus; and you come along and say there is a deficit. You have to have support for what you are doing. So I put in this sheet of paper earlier with respect to the Treasury figures. I am glad to put it in again, if I can find a copy of it. I will ask the staff to get a copy of that sheet from the Treasury Department we were inserting into the RECORD so we can see exactly—I am not just saying it is a deficit, it is the Treasury Department saying it is a deficit. So we will find that.

Right here in this morning's paper it says we are not spending more money than we are taking in. It is as usual. As Tennessee Ernie said, ''another day older and deeper in debt.''

Can we get Thursday's Washington Post, which is easily had, and the sheet of paper from the Treasury Department? I know they made a copy. Here it is. ''Hill Negotiators Agree to Delay Part of NIH Research Budget.'' The subheadline is ''The government has recorded its first back-to-back surpluses since 1956–57.''

Mr. President, this says:

> Meanwhile, figures out yesterday showed that the federal government ran a surplus of $122.7 billion in fiscal 1999 . . . the first time the government has recorded back-to-back surpluses since the Eisenhower administration in 1956–57.

Absolutely false. There isn't any question about it.

I will retain this floor. I know others like to talk about different subjects, but I have had a difficult time this morning trying to get a word in edgewise about this particular trade bill.

If we find the Treasury sheet that was issued yesterday, it is a whole report—I didn't want to put the entire report in the RECORD, but if we can find that sheet, we will include it. It is page 20.

I have my hand on another copy right here. This is page 20 of the Department of the Treasury report, table 6: ''Means of financing the deficit or disposition of surplus by the U.S. Government, September 1999, and other periods.''

Then you will see the account balances column, current fiscal year of total Federal securities. In other words, how much did we have to borrow? We have the figure here at the beginning of the year; it is $5,478,704,000,000. Then you look at the close of the fiscal year, and it is $5,606,486,000,000—a deficit, not a surplus, of $127.8 billion. That is as of yesterday. But if you read the headline in the paper, they have ''back-to-back surpluses,'' and we have another deficit in excess of over $100 billion.

I ask unanimous consent to have this printed in the RECORD.

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

[From the Washington Post, Oct. 28, 1999]

HILL NEGOTIATORS AGREE TO DELAY PART OF NIH RESEARCH BUDGET

(By Eric Pianin)

House and Senate negotiators yesterday agreed to delay a big chunk of the research budget of the National Institutes of Health, as they struggled to find new ways to hold down costs and stay within tight spending limits.

With concerns rising over their plan to cut programs across the board, Republicans leaders are once again turning to creative accounting tactics to make sure their spending bills are lean enough to avoid tapping into Social Security payroll taxes.

The last of the 13 spending bills to be considered by Congress, a giant $313 billion measure funding labor, health and human service programs, would provide the NIH with $17.9 billion for fiscal 2000, a 15 percent increase that exceeds the administration request by $2 billion.

But the bill, which will be considered by the full Congress today, would require the NIH to wait until the final days of the fiscal year in September to use $7.5 billion of that money. The tactic is aimed at limiting the actual amount of money that the government will spend at NIH in the current fiscal year; the plan would essentially roll over $2 billion of spending to next year.

The Clinton administration warned that the move would seriously hamper research efforts and impose significant administrative burdens on NIH, and congressional Democrats complained that it was yet another step eroding GOP credibility on budget matters.

But Senate Appropriations Committee Chairman Ted Stevens (R-Alaska) said Congress was justified in its use of accounting ''devices'' to cope with emergencies and pressing budget priorities that exceeded what Congress had previously set aside to spend this year.

The various devices are crucial to the GOP's campaign to pass all 13 spending bills

for the fiscal year that began Oct. 1 without appearing to dip into surplus revenue generated by Social Security taxes. GOP leaders last night put the finishing touches on an unwieldy package that includes both the labor-health-education bill, the District of Columbia spending bill and proposal for a roughly 1 percent across-the-board spending cut.

Democrats maintain the ''mindless'' across-the-board cuts would ''devastate'' some agencies, hurt programs for mothers and children, and trigger large layoffs in the armed services. But House Majority Whip Tom DeLay (R-Tex.) said accusations the cuts would hurt defense were ''nothing but hogwash.'' He said the criticism was coming from ''the same officials who have sat by idly as the president has hollowed out the armed forces.''

President Clinton has vowed to veto the huge package, as he has three other bills, and there is no way the two sides can reach agreement before a midnight Friday deadline. With neither side willing to provoke a government shutdown, the administration and Congress will agree on a third, short-term continuing resolution to keep all the agencies afloat while they continue negotiations.

While the Republicans and the White House are relatively close in negotiating overall spending levels, there are serious differences over how to spend money to reduce class sizes, hire additional police officers and meet a financial obligation to the United Nations, as well as disputes over environmental provisions in the bills.

Meanwhile, figures out yesterday showed that the federal government ran a surplus of $122.7 billion in fiscal 1999 (which ended Sept. 30), the first time the government has recorded back-to-back surpluses since the Eisenhower administration in 1956–57.

The 1999 surplus was almost double the 1998 surplus of $69.2 billion, which was the first since 1969. While the 1999 surplus was the largest in the nation's history in strict dollar terms, it was the biggest since 1951 when measured as a percentage of the economy, a gauge that tends to factor out the effects of inflation.

All of the surplus came from the excess payroll taxes being collected to provide for Social Security benefits in the next century. Contrary to an earlier estimate by the Congressional Budget Office, the non-Social Security side of the federal government ran a deficit of $1 billion, money that was made up from the Social Security surplus.

The drafting of the labor-health-education spending measure dominated the action behind the scenes on Capitol Hill yesterday. The House has been unable to pass its own version, so House and Senate negotiators worked out a final compromise in conference.

The $313 billion compromise exceeds last year's spending by $11.3 billion and includes more money for education, Pell Grants for college students, NIH, federal impact aid for local communities, the Ryan White AIDS research program and community services block grants than the administration had requested.

While the bill provides $1.2 billion for class size reduction, the Republicans insist local school districts be given the option for using the money for other purposes while the White House would mandate the money for hiring additional teachers.

Republicans also were claiming $877 million in savings by using a computer database of newly hired workers to track down people who defaulted on student loans. The nonpartisan CBC said the idea would only save $130 million, but Republicans are using a more generous estimate used by Clinton's White House budget office.

Mr. HOLLINGS. Mr. President, having gotten the record made, the point is that it is not as easy as my distinguished colleagues from New York and Delaware, the leaders on this particular measure, have painted it. When you see that you are running deficits now of $127 billion, when you see that the trade deficit is widening, when you see that, according to an article, we were consuming faster than we were producing, then you can see trouble on the horizon.

I refer to this morning's Financial Times, page 4: ''Widening Trade Gap Raises Fear For Dollar.''

I ask unanimous consent that this article be printed in the RECORD.

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

WIDENING TRADE GAP RAISES FEARS FOR DOLLAR

(By Christopher Swann)

Fears of a slide in the US dollar have haunted global currency markets for several months now. The dollar was granted a reprieve last week following better than expected August trade figures. But many observers believe it is only a matter of time before the dollar succumbs to mounting trade imbalances.

As the US current account deficit has increased, concerns have intensified that international appetite for dollar assets will soon be exhausted, leaving the US unable to fund its trade shortfall with the rest of the globe and precipitating a sharp drop in the currency. That could imperil the US economy's run of rapid non-inflationary growth.

However, some economists point out that the high level of long-term foreign direct investment should spend the dollar from the threat posed by the current account deficit, expected to reach $320bn in 1999.

Optimists argue that the growing importance of foreign direct investment, as US companies become the target of foreign takeovers, means much of the capital now flowing into the US may be relatively slow to leave.

Foreign direct investment (FDI), into the US is booming, with BP's take-over of Amoco, Daimler's take-over of Chrysler and Vodafone's takeover of AirTouch the most high profile examples.

New inflows of FDI reached $60.5bn in 1998, a record sum which covered about a third of the US current account deficit. And this year, net FDI has already eclipsed last year's figure, with $83.5bn pouring into the US in the second quarter alone. In the fourth quarter of 1998 and the second quarter of 1999, net FDI flows were stronger than shorter-term portfolio inflows and indeed exceeded the entire current account deficit. The long-term nature of these flows reduces the prospect of a sudden balance of payments crisis, says Ian Morris, US economist for HSBC in New York.

''If a current account problem develops there is a breathing space for the authorities to correct the imbalances rather than have financial markets force it on them in an abrupt and possibly catastrophic manner,'' he argues.

The big question for the dollar is whether this surge in foreign direct investment can be maintained.

Paul Meggyesi, senior currency strategist at Deutsche Bank in London, thinks it can. The deep-seated structural advantages enjoyed by the US in areas such as technology and labour market regulation, he argues, should ensure that FDI continues at a healthy rate.

''This is particularly true in the technology field, with the US accounting for 74 of the top 100 information technology companies, compared to only 5 per cent in Europe. It would not be surprising if European companies try to close the gap by taking over or merging with US businesses,'' he says.

But the bare facts are alarming. The current account deficit, expanding at about 50 per cent a year over the past two years, is now at its highest level since at least the end of the civil war as a proportion of GDP. And the family silver can only be sold once. Few believe that the US economy can rely indefinitely on the sale of assets to cover the current account shortfall.

Mr. Morris calculates that funding the expected $375bn deficit in 1999 from FDI alone would mean selling the equivalent of Intel, the third largest company in the Standard and Poors 500 index.

And if present trends continue until 2001, assets equal in value to Microsoft, the largest company in the US, would have to be sold to cover the deficit.

In reality, over the medium term FDI is unlikely to be anywhere near 100 percent of the current account shortfall, leaving much to come from more fickle portfolio flows. ''While the high proportion of long-term capital flows provides some comfort for the dollar, it is likely to prove inadequate,'' argues Avinash Persaud, head of global research at State Street.

When US shares offered an unrivalled 20 percent annual returns it seemed the US would have no trouble attracting sufficient portfolio inflows. With US share prices falling and returns picking up in the economies of Japan, the euro-zone and the UK, competition for international capital is becoming more intense.

''The safe haven portfolio flows which entered the US during the global crisis at the end of 1998 now have other alternative homes. It will prove much more difficult for the US to finance its deficit in 1999 than it was in 1998,'' says Mr. Persaud.

Most agree that this will cause the dollar to grind lower, removing one of the main ingredients in the US's high rate of non-inflationary growth. Higher interest rates and weaker stocks may well be the consequence.

Some analysts believe that the dollar's 16 percent fall against the yen since this year's peak in May merely marks the start of a period of general weakness in the US currency.

But the dollar has so far proved relatively resilient against other currencies and may well keep the market on tenterhooks for some time yet.

Mr. HOLLINGS. Mr. President, there it says:

A slide on the U.S. dollar has haunted global currency markets for several months now.

It says:

The dollar was granted a reprieve last week following better-than-expected August trade figures. But many observers believe it is only a matter of time before the dollar succumbs to mounting trade imbalances.

It is going up over $300 billion.

As the U.S. current account deficit has increased, concerns have testified that international appetite for dollar assets will soon be exhausted, leaving the U.S. unable to fund its trade shortfall with the rest of the globe and precipitating a sharp drop in the currency. That could imperil the U.S. economy's run of rapid inflationary growth.

It goes on to say how we have had foreign direct investment with, of

course, the BP takeover of Amoco, Daimler-Mercedes takeover of Chrysler, and Vodafone's takeover of AirTouch.

It says:

The big question for the dollar is whether this surge in foreign, direct investment can be maintained.

But the bare facts are alarming. The current account deficit, expanding at over 50 percent a year over the past two years, is now at its highest level since at least the end of the Civil War as a proportion of GDP. And the family silver can only be sold once. Few believe that the U.S. economy can rely indefinitely on the sale of assets to cover the current account shortfall.

Some analysts believe that the dollar's 16 percent fall against the yen since this year's peak in May merely marks the start of a period of general weakness in the U.S. currency.

What are we doing about this? We are taking away the productivity. It is not an increase in jobs. It isn't any increase at all. They are running and spending it fast in the fabric plants. But forget about the people working by the sweat of their brow in the apparel industry—such as the mother trying to keep food on the table and get her children through college.

We will pass all kinds of protections for high tech companies. We even repealed the State tort laws for something that can't happen until the first of next year. They want to do away with the immigration laws for high tech companies—the estate taxes, the capital gains tax, and everything else of that kind. They have all kinds of benefits. I even saw an article about creating a subsidy for boat manufacturers, so we can get more pleasure yachts.

We have to increase the productivity. We are losing the industrial backbone of the United States of America.

What we are hearing is that this Senator and others do not understand that the high-tech community is the engine of this wonderful globalization, the engine of this economic giant, the United States of America. Not so at all.

There is a book called ''In Praise of Hard Industries'' by Eamonn Fingleton. We don't put the book, of course, in the RECORD.

But surely the United States has scored some real successes in high-tech manufacturing in the 1990s? Yes—but far fewer than even most experts realize. Perhaps the strongest remaining American high-tech manufacturer is Boeing. But even Boeing is doing less well than it used to. Quite apart from facing increasing competition from the European Airbus consortium, Boeing has been under considerable pressure from foreign governments to transfer jobs abroad, and it has duly done so. As William Greider has pointed out in his book *One World, Ready or Not*, 30 percent of the components used in Boeing's 777 jet are made abroad. By comparison in the 1960s, Boeing imported only 2 percent of its components. Thus, Boeing, like other erstwhile world-beating American manufacturers, is rapidly becoming a ''virtual corporation'' ever more dependent on suppliers in Japan and elsewhere abroad for its most advanced manufacturing needs.

I divert for a minute to say that was the trouble we had in the gulf war. We had to get panel displays from Japan in order to get the weapons in order to fight that war. We weren't making them anymore. Every time I put a ''buy America'' provision into the defense bill—I serve on the Defense Appropriations Subcommittee—I get no, you are a fruitcake. That is what Mike Kelly calls those who are trying to protect trade.

Now I hear this morning that I am going to start a depression and everything else of that kind. You can't talk sense on this particular subject. But the proof of the pudding is in the eating.

Let me quote again.

Meanwhile, despite all the talk of a renaissance in the American semiconductor industry, there is acturally only one truly strong American semiconductor manufacturer left: Intel. Moreover. Intel's success says little if anything about its manufacturing prowess. In fact, the company's twenty-four-fold growth in the fifteen years to 1997 has been driven not by any fundamental efficiency edge in production engineering but rather by the company's near-monopolistic franchise in producing microprocessors for the dominant ''Wintel'' standard in personal computers.

In any case, Intel is just one company—and judged by the all-important criterion of jobs, not a particularly large one. At last count it employed sixty-seven thousand people worldwide—little more than one-sixth of IBM's peak workforce in the mid-1980s before its domination of the computer industry collapsed under pressure from the rising Wintel standard. Moreover, Intel is not as advanced as it appears. In fact, its Wintel chips are based on an aging technology known as CISC (complex instruction set computing). In the last decade, CISC has been superseded by a technology called RISC (reduced instruction set computing). RISC chips, which are noted for their use in such high-performance computers as Sun Microsystems' network servers, are made mainly in Japan.

Intel apart, there are few other semiconductor manufacturers left in the United States. This may seem surprising in view of the fact that, according to such prophets of America's purported industrial renaissance as Jerry Jasinowski, the United States has now recovered strong leadership in semiconductors. He has reported that American semiconductor makers boosted their global market share from 40 percent in 1988 to 44 percent in 1993, and this supposedly has put the United States back in the ''top spot'' in the industry. After the big decline in America's share in the first half of the 1980s, all this seems like convincing evidence of a comeback. But the truth is that his 44 percent figure is bogus. It is based on highly misleading statistical procedures that categorize most chips outsourced by American companies from factories in East Asia and elsewhere as ''American''! The only justification for this bizarre statistical treatment is that most such chips are made to American designs and bear American brand names. But that hardly means they are made in America. Even Dataquest, an information-industry consulting firm that is the ultimate source of data on world semiconductor production, compiles its statistics on this basis.

Given the prevalence of such misleading statistics, how do we gauge the true state of American competitiveness? Again, there is no substitute for international trade figures. These indicate that the United States ran a deficit of more than $3 billion with Japan alone in semiconductors in 1997. Given Japan's higher wage levels, therefore, it is clear that the idea that the United States has recovered world leadership in semiconductors is just another myth.

Mr. President, I want to yield in a minute so other colleagues can address the Senate. But I will come back because what you have is a situation where that sandwich board they put up with all of these industries, they are all for the American worker. No; they are all for money, profit. That is all that those companies are for.

Let me quote page 32.

Since American labor is not represented in American boardrooms, the real losers from technological globalism have no say in the matter. Moreover, workers' interests count for so little these days that American corporate executives openly proclaim their commitment to utopian globalism without the slightest fear of embarrassment. The pattern was memorably exemplified a few years ago by a Colgate-Palmolive executive who told the New York Times: ''The United States does not have an automatic call on our resources. There is no mindset that puts this country first.'' A similarly outspoken disregard for the interests of American labor was apparent in a remark by NCR's president, Gilbert Williamson, some years ago when he said: ''I was asked the other day about the United States' competitiveness, and I replied that I don't think about it at all. We at NCR think of ourselves as a globally competitive company that happens to be incorporated in the United States.''

That is the situation with Farley and Fruit of the Loom, exactly what was brought in issue fortuitously by Time magazine when they put in the article ''The Fruit of Its Labor—The Politics of Underwear.'' Fruit of the Loom eliminated 17,000 jobs in Kentucky, 7,000 in Louisiana, moved to the Cayman Islands and I should put them on one of those sandwich boards. Whoopee, they are for this bill so that they can make more money.

Who is looking at the welfare of the American worker? Who is looking at the industrial strength of the United States? Who is looking at the economic progress and security of the United States of America?

One could not be for this particular bill if one knew how it has been drawn up. It does not even compare with NAFTA. We cannot put an amendment up because the tree is filled. They put in what you might call fast track, no amendments, and then they give their friends the fruit of the tree. Senator WELLSTONE, the Democrat, comes in with an agricultural amendment that is not to be allowed. But take the Senator from Missouri. When he comes with a particular amendment on agriculture, the leader comes down and finds that is relevant. We stop the whole process and pluck the amendment from the tree and put in your friend's amendment and they call that ''procedure'' in the world's most deliberative body. It is the most undemocratic procedure, unparliamentary kind of procedure that could possibly be contemplated. They ought to be embarrassed handling a measure this way.

However, there is no embarrassment with this group. They know they can pass this bill easily because they can

breeze through the committee and everybody on the floor saying mollify, unite. It used to be the ILGWU working the floor. I have been in it too long; I understand the competition.

As a southern Governor, I don't blame the foreigners for saying we give this benefit and give that benefit. That is exactly what we did in South Carolina. The Senator from Delaware says they can get new jobs by learning new skills. We do that in South Carolina. We have brought in Hoffman-LaRouche and BMW. They told me the only reason they have come is because of the technical training system I instituted 30 years ago. I know about skills, training, getting new jobs and new industry. But we have had a net loss, in the last 4 years since NAFTA, of 12,000 jobs in South Carolina.

In the campaign last year in the Governor's race, they were talking about new jobs. I said: Add and subtract. You are not announcing those that are leaving and going down to Mexico. We had United Technologies, the textile plants and others take off down to Mexico. We saw it starting then and it is mushrooming now.

We are being derided on the floor talking about Smoot-Hawley and putting up the bankers' sandwich board and saying: This is for the good of America.

We are going to have to discuss this a little bit longer.

I yield the floor.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, this morning Senator CONRAD offered an amendment which I cosponsor. I ask my colleagues to consider voting for this amendment that will make the Trade Adjustment Assistance Program available for farmers as well as industrial workers.

This program, trade assistance, is being reauthorized in this legislation. This amendment would expand it just a little bit.

President Clinton, about a month ago in an address spoke about one-third of the jobs that have been created during his administration have come as a result of opening foreign trade and all the economic activity that takes place because of foreign trade.

If we can have millions of jobs created during this administration because we have had a 50-year history of breaking down trade barriers between countries, we have to conclude that the liberalization of trade is good for American workers and good for our economy.

Free trade has produced many winners in our economy. This has been true since 1947 when the United States and just 22 other countries created the regime for liberalized trade we have been under since 1947 called the General Agreement on Tariffs and Trade.

Since 1987, we have had eight series—sometimes they are called rounds—of multilateral trade negotiations to break down these barriers. These multilateral trade negotiations have liberalized trade in many sectors. Tens of thousands of tariffs have been scrapped. Many nontariff trade barriers have been eliminated. Others have been sharply reduced.

The result of 50 years of trade liberalization has meant the creation of enormous wealth and prosperity and, as I have said, millions of new jobs, one-third of the new jobs created just in this decade. But whenever you have a free market economy, probably even when you have a regimented economy, as the socialist countries have had, there is always some adjustment in the economy. There are some winners and some losers; that is true in our economy, and it is true in the foreign trade part of our economy.

For this reason, more than 35 years ago President Kennedy and the 87th Congress thought it was only fair to transfer some of the net gain from free trade to injured workers or firms or industries or even entire communities. The first U.S. Trade Adjustment Assistance Program was designed by President Kennedy and authorized by the Trade Expansion Act of 1962 to help workers dislocated as a result of a Federal policy to reduce barriers to foreign trade.

It is very important for the purposes of our amendment and also the spirit of the Trade Adjustment Assistance Act to hear what President Kennedy, its author, had to say about its intent and scope:

> I am recommending as an essential part of the new trade program that companies, farmers, and workers who suffer damage from increased foreign import competition be assisted in their efforts to adjust to that competition. When considerations of national policy make it desirable to avoid higher tariffs, those injured by that competition should not be required to bear the brunt of the impact. Rather, the burden of economic adjustment should be borne in part by the Federal Government.

What President Kennedy said was so important, and I emphasize, once again, a small part of it:

> Trade adjustment assistance should be available for companies, farmers, and workers.

In spite of President Kennedy's belief that farmers should be able to get relief from trade adjustment assistance, just like others who suffer from trade-related job losses, the reality is, few, if any, individual family farmers are ever able to qualify for this program. Hence the amendment by Senator CONRAD and myself that is offered today to address this inequity.

Senator CONRAD and I think it is only fair that not only farmers be included but fishermen be added to this group as well. They are workers, they help put food on our tables, and they have the same problems under the current program as farmers.

Our program will create a limited new trade adjustment assistance for farmers program. It will provide cash assistance to farmers and fishermen when the price of a commodity falls sharply as a result of imports and causes a farm's net income to drop. The formula ensures farmers will recover a portion, but not all, of the income lost due to import competition.

This is not an open-ended program. Assistance is capped at $10,000 per farmer and a total of $100 million per year, and, of course, as must be under the Budget Act, this Trade Adjustment Assistance Program is paid for. In order to qualify for this limited Trade Adjustment Assistance Program, farmers will have to consult with the USDA's Extension Service to develop a plan for adjusting to the import competition.

In about 5 weeks, the United States will launch a new round of global trade talks with 133 other WTO—World Trade Organization—member countries. That is an extension of the organization that started out with 22 countries in 1947 for this regime of liberalizing trade. In 5 weeks, these talks start.

Farmers have always been among the strongest supporters of free trade because so much of what they produce is sold in overseas markets. In fact, there is an absolute necessity of selling overseas because, even in normal production, we produce a third more than can be domestically consumed. Profitability and farming must come by selling the surplus overseas.

The income our farm families earn in these foreign markets sustains our economy and contributes greatly to our national well-being. Farm support for free trade cannot and should not be taken for granted by the rest of the people in this country who benefit from free trade.

We are in the worst farm crisis since the Depression of the thirties. Low commodity prices are not caused exclusively by import competition, and I do not mean to imply that. In fact, it is just the opposite. It is caused because a lot of our markets overseas have been hurt by the financial crisis that started 2 1/2 years ago in the Far East. But, of course, in our complex economy, even in our complex agricultural economy, trade might be a contributing factor to these historically low prices.

Through trade adjustment assistance, we look after Americans who are harmed by import competition but not farmers. Through trade adjustment assistance, we have looked after communities harmed by import competition but not farm communities. Between 1979 and 1996, 12 trade adjustment assistance centers in the United States assisted about 6,130 firms with petitions for trade adjustment assistance. During this same 17-year period, these centers assisted only 200 food growers and processors, 200 firms in 17 years that were nonindustrial. But these firms were not individual family farms. I am concerned that if we lose farm support for free trade, it will be very hard, and perhaps impossible, to win congressional approval for new trade deals when these negotiations conclude among these 133 countries.

Fairness, equity, common sense, and, most importantly, the original intent of President Kennedy's program, all tell us that farmers and fishermen should and must be a part of the Trade Adjustment Assistance Program.

So as Senator CONRAD did this morning, I strongly urge my colleagues to support this important amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

ACROSS-THE-BOARD SPENDING CUTS: IRRESPONSIBLE BUDGETING

Mr. KENNEDY. Mr. President, we are almost a month into the new fiscal year and Congress still has not passed an appropriations bill for the Departments of Education, Labor, and Health and Human Services. The work of these Departments touches the lives of nearly every American, yet the Republican leadership has been unable to work out an acceptable budget for them which will enable them to carry out their responsibilities fully and effectively.

The majority has used an extraordinary array of gimmicks, such as bogus emergency spending designations, and an unprecedented level of advance fundings. But even those budgetary slights of hand were insufficient to do the job.

They considered reneging on Congress' commitment to provide TANF moneys to the States but backed off under pressure from the Republican Governors.

They proposed increasing taxes on the working poor by changing the reimbursement rules for the Earned Income Tax Credit. Even the leading Republican Presidential candidate denounced that as ''balancing the budget on the backs of the poor.'' Again, the Republican leadership was forced to retreat from an outrageous proposal. The fact that these cuts were even considered shows how out of control the budget process is.

In desperation, the Republicans have now proposed that we indiscriminately cut all Government programs by 1 percent across the board. In other words, they would treat essential health and education programs no differently than special interest pork barrel projects. They ignore the reality that some of the programs are far more important than others. This type of mindless cut is an admission of total budgetary failure.

They pretend such a cut will not have any impact on the programs, but they are terribly wrong. The human cost of such an across-the-board cut would be very high. It would hurt many of our most vulnerable people:

Some 5,000 fewer preschoolers in Head Start;

2,800 fewer children in the child care programs;

74,000 fewer babies receiving nutritional supplements;

2,775,000 fewer meals brought to the elderly and disabled;

120,000 fewer disadvantaged students helped;

6,000 fewer job opportunities for youth;

10,000 fewer work-study grants for college students;

10,000 fewer children helped to read;

3,000 fewer children immunized;

20,000 fewer homes for low-income families.

Each one of these is an unacceptable price to pay for the Republicans' inability to produce a fair and fiscally sound budget.

That was with a 1% cut. Now CBO has made available to us a letter that was sent to the Honorable JOHN SPRATT, who is the ranking Democratic member of the Committee on the Budget in the House, with copies also to Mr. KASICH and Mr. DOMENICI.

The conclusion of these letters is that the 0.97% cut that will be included in the conference report, which perhaps we will consider later, is going to be insufficient, according to the latest calculations of CBO, to avoid tapping social security funds this fiscal year. Their estimate is, it would have to be not 0.97 percent but a total of 5.8 percent. If you were to eliminate defense, military construction, veterans programs, it would be in excess of 11 percent.

So here on this chart are the cuts with 1 percent. And the CBO says, if you are going to do the job and follow the pathway that is being recommended by the Republican leadership, it will have to be a 5.8 percent cut.

So you can multiply all of the cuts to programs needed by our most vulnerable citizens by 5.8, which yields a much more devastating impact. Those are the circumstances we are in.

The fact is that the President and the ranking Democrats on the various committees say: Why don't you go back and cut out the pork you put in and cut out the excesses you have added, and send us something that is responsible? Then we can have true negotiations.

But that isn't the way the Republican leadership is moving. They are just favoring across-the-board cuts, which will cut valuable, helpful programs that are indispensable to needy people, for infants and for children, for education, and for health—the same amount as the pork programs that have been added by the Republicans.

These consequences are all the more deplorable because they are unnecessary. President Clinton and the Democrats here in Congress have proposed fiscally responsible measures to keep our hands entirely off Social Security money even while we make the critical investments needed to strengthen our Nation in the coming year.

But the Republicans repeatedly said ''no.'' ''No'' to a cigarette tax that would prevent teen smoking while paying for children's health initiatives; ''no'' to making oil companies pay royalties they owe the Federal Government; ''no'' to reducing corporate welfare; ''no'' even to military officers when they ask to defer or delay programs the Republicans want in their districts.

By consistently declining opportunities to reduce a balanced budget, Republicans are on a course to raid Social Security, regardless of this proposed 1 percent cut.

Why have Republicans proposed this latest gimmick? To avoid using this year's Social Security surplus to pay for this year's Government spending, they tell us. But what Republicans don't say is that the gimmicks they have already voted for guarantee that the Social Security money will be used in the budget this year. That is what the latest CBO report that has been given to the leaders today has indicated.

I have but one simple question for anyone who would disagree: Where will the money come from to pay for the census, which Republicans have suddenly declared to be an emergency? This money must be paid to contractors and staff this budget year, yet it cannot be found anywhere except in the Social Security trust fund.

By simply calling a $4 billion entirely foreseeable program an ''emergency,'' Republicans cannot escape the fact that they will certainly spend Social Security surpluses this year, regardless of whether there is an across-the-board cut. The census gimmick is but one of many instances in which Social Security funds have already been spent by Republicans this budget year. When all the smoke and mirrors produced by the Republicans are removed, we can see that the true goal of their 1-percent cut is not to preserve Social Security surpluses but to gut Government spending on core education, health, and criminal justice programs. Republicans in this Congress are returning to the time of Speaker Gingrich when they proposed abolishing the Department of Education, only now they are dismantling it piece by piece.

Today's Republicans have proposed a $288 million cut for the Department of Education—continuing their longstanding assault on our children's futures. Let's not forget that when Republicans first assumed the control of Congress in 1995, their top agenda item was to rescind $1.7 billion in education funding that had already been enacted into law by the Democratic Congress. Then, in the first full funding cycle subject to Republican control, their appropriators in the House socked the Department of Education with a $3.9 billion proposed cut—almost 20 percent. They tried again in the budget year 1997 when Senate appropriators sought a $3.1 billion cut to the President's request for education programs.

Democrats in the Congress, together with President Clinton, successfully resisted each one of these Republican cuts in education.

So since 1997, Republicans have sought more modest education cuts of

$200 million or more below the President. Today's proposed $288 million cut is consistent with the Republicans' longstanding goal of decreasing support for education. It is wrong. It is shortsighted. It is not what the American people want or deserve.

Of course, Senator NICKLES and Representative DELAY want us to believe their 1-percent cut won't hurt a bit. It might not hurt the oil companies they want to protect from paying full royalties to the Government this year, but it will hurt the real people I described when I listed some effects of their proposed cut. The cut might not affect the tobacco companies, now that the Republicans have rejected President Clinton's plan to raise cigarette taxes, but it will hurt those who rely on the programs Republicans want to cut.

In conclusion, I want to just point out—on this other chart—what the current situation is with regard to the Head Start Program.

Today, we have, for the Early Head Start Program, only 1 in 100 eligible children who are actually enrolled. This is what the Carnegie Commission and virtually all recent studies show is probably the wisest investment of funds of any other Government program because these are the earliest years of confidence building among children. And as all of the research has demonstrated, the earliest intervention in these years, in the first, second, third, and fourth years of life, has enormous consequences in the child's cognitive development and future education. Only 1 in 100 eligible children are presently enrolled in Early Head Start. In the Head Start Program, which has been tried and tested, evaluated and strengthened and improved, only 2 in 5 eligible children are enrolled now; 3 out of 5 are financially eligible, and cannot enroll in the program.

The Child Care Development Block Grant program only assists 1 in 10 eligible children. Education for the disabled, only 1 in 4 eligible children are assisted. This is the current situation. It is against that background we are going to see tens of millions, hundreds of millions of dollars in reduction in those programs because the Republican leadership, over the course of the year, have added a lot of boondoggle programs of their own in these other appropriations.

I indicated what those reductions would be if they were going to be 1 percent. Now we know it is going to be 5.8 percent, according to the CBO.

The proposed cut is wrong. It is an abdication of their duty to state what they believe the nation's priorities should be. It is irresponsible. I hope our colleagues would vote in the negative on this.

Mr. REID. Will the Senator yield for a question?

Mr. KENNEDY. I am glad to yield.

Mr. REID. I ask my friend from Massachusetts, is he aware, in addition to this latest scheme—that is what I call it—this across-the-board cut, in this one-a-week program the Republicans have come up with, they also wanted to do a number of other things, such as extend the year a month? Are you familiar with that?

Mr. KENNEDY. I am.

Mr. REID. That didn't sell very well. Are you aware it was determined even by the very conservative Wall Street Journal they had two sets of books they were trying to keep in an effort to hide the spending of Social Security moneys? Is the Senator aware of that?

Mr. KENNEDY. I remember the discussion on the floor, an article by Mr. Rogers, I think. It was an excellent article and a very accurate one. It was included in the RECORD. I hope our colleagues will read that.

Mr. REID. In addition to having two sets of books, in addition to extending the year another month, as my friend from Illinois has said—that is great, because in doing that, we will never have a Y2K problem; we just keep adding months to the year—are you aware also that the earned-income tax credit, the program Ronald Reagan said was the best antiwelfare program in the history of this country, they tried, as one of their schemes, to take that money away from the working poor in America so they could balance their so-called budget? Is the Senator aware of that?

Mr. KENNEDY. I was aware of it. The particular need for that program is to provide help and assistance for low-income working families who have children. This is basically the children. That program benefits the children of working poor, to try to give some assurance they will at least have some measure of quality of life. That was the program targeted by the Republican leadership in the House of Representatives to be undermined, that program and the resources in that program, in order to offset the other benefits they had given to their special projects.

Mr. REID. As part of their scheme-of-the-week program to have this blue smoke and mirrors, is the Senator also aware—I know he answered this question, as he so aptly pointed out—that now they want an across-the-board cut, saying they want to eliminate waste and fraud, but that across-the-board cuts are indiscriminate; it doesn't go to any one pocket; it cuts programs across the board? Is the Senator aware of that?

Mr. KENNEDY. The Senator is absolutely correct. It does not, for example, even give the military, give the Chairman of the Joint Chiefs of Staff and the commanders, the range of options they could have in order to meet their responsibility. We are up to 270-odd billion dollars in terms of defense appropriations; 1 percent is $2.7 billion. As a member of the Armed Services Committee, we heard from the Joint Chiefs that it would be a devastating cut in terms of personnel and in terms of readiness. They don't give the flexibility to any of the administrators to be able to do it. They are just mandating the requirement right across the board. That is the most inefficient way of doing it.

Mr. REID. I ask the Senator, is he aware that instead of their scheme of the week, they have now done two schemes this week? So maybe next week they will use one of the old ones. Is the Senator aware that one of the latest schemes is to withhold money from the National Institutes of Health for 11 months of the fiscal year so all the money comes in the 12th month? It helps their bookkeeping. Is the Senator aware of this scheme they are floating around here?

Mr. KENNEDY. Well, I had heard that, that they were going to hold some $7.8 billion. Maybe they could, with $1 billion, hold for some period of time. NIH might be able to deal with that. They are talking about $7.8 billion, effectively undermining the most significant and important basic research that is taking place any place in the world at a time of extraordinary possibility and breakthroughs in terms of health, in order to fund a number of military pieces of equipment that were never requested by the military and other special projects that were never requested by the administration. They don't want to cut those out, but they want to tamper with the greatest research center in the world, which is the NIH, doing so much on so many of these diseases that affect every family in America, whether it is cancer, whether it is on the issues of Alzheimer's, whether Parkinson's disease, you name it, lupus, whatever it is, osteoporosis that affect our senior citizens. They are tampering with those funds. I have seen a lot of shenanigans in the budgeting of the Federal budget, but I would certainly agree with the Senator that tampering with the NIH funds in the way this is done would have a dramatic adverse impact in our whole basic research programs at the NIH and would cause enormous harm. I welcome the Senator's observation, because, if there weren't other problems in this report, that in and of itself would justify the rejection of it.

Mr. REID. If the Senator is going to yield the floor, I would like to claim the floor.

Mr. DORGAN. I would like to ask the Senator a question.

Mr. REID. I wanted to ask the Senator from North Dakota a question, but please proceed. I have the floor, and I yield to the Senator from North Dakota.

Mr. HOLLINGS. If the Senator will yield, we have been going back and forth. So please be short, if you can. We want to have that comity continue.

Mr. REID. I ask my friend from South Carolina, are we in a hurry around here?

Mr. HOLLINGS. It is the comity and not the time. Please talk until tomorrow, when we vote.

Mr. REID. The Senator from Massachusetts still has the floor then.

Mr. KENNEDY. I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I have the floor. We will speak very shortly so the Senator from Illinois can be recognized.

Mr. DORGAN. The Senator from Illinois should be recognized. If I could ask forbearance, I wanted to ask the Senator from Massachusetts a question. Since he doesn't have the floor, let me at least propound the question.

Mr. FITZGERALD. Mr. President, I would like to have unanimous consent to speak for a couple of minutes on our departed colleague, John Chafee, after which I have to preside. I will just take a couple minutes.

Mr. REID. I say to the Chair, I am happy to yield my time for 2 minutes to the Senator from Illinois. I will reclaim the floor.

The PRESIDING OFFICER. Without objection, the Senator from Illinois is recognized.

IN HONOR OF SENATOR JOHN CHAFEE

Mr. FITZGERALD. I take this opportunity to express my great sense of personal loss on the passing of our colleague from the great State of Rhode Island, John Chafee.

I have only been in the Senate for under a year now. I got to know Senator Chafee while I was running for the Senate about a year ago. Even in that short period of time, I came to have great admiration and respect for Senator Chafee. I can only imagine the great sense of grief my colleagues and others who have known him several decades feel at his passing.

Of all the people I have known in my lifetime, I have to say that Senator Chafee had more of an aura of goodness, kindness, gentleness, and of fineness than just about anybody I had ever encountered in my life.

In many ways, he was a quintessential New Englander. He was modest; he was often taciturn. He did not complain about the health problems he had in the last few months. In fact, he didn't wish to talk about that. He was very hard-working. Others have spoken about his distinguished career in the Senate, as Governor of Rhode Island, and as our Secretary of the Navy. But for all of us who knew him personally, he was a great and fine gentleman. He embodied the best of his State, of his region, of our country, and certainly of this institution.

I just wanted to say now how much I appreciated John Chafee for the warm welcome he gave me as a freshman Senator. I regret that I did not have the chance to thank him while he was still with us. We used to share the elevator rides after we voted. We were on the fifth floor of the Dirksen Building, and we would be riding up to that top floor together after practically every rollcall vote in the Senate. I got to know Senator Chafee quite well in the last few months. He was always very kind and interested in me as a freshman. He was always offering to help. When I took a trip earlier this year to give a speech in Rhode Island, he wanted to know beforehand exactly where I was going and my itinerary in his State, and he quizzed me about it afterward.

He was a Theodore Roosevelt Republican who was concerned about the preservation of our environment, enhancing it for future generations, and he did a marvelous job as chairman of the Environment Committee.

I express my condolences to his wife Virginia, his five children, and most especially to his staff. Senator Chafee's office is right next door to my office in the Dirksen Building. I know that he had a very loyal staff who loved him dearly. Many of his legislative assistants had been with him for 10 years or more, which bespeaks the sense of loyalty and affection they had for him. I know they have suffered a great loss, and we extend our condolences to them. John Chafee will be missed by me and by all of us in the Senate and by the great State of Rhode Island and by our country.

I yield the floor.

SENATE AGENDA

The PRESIDING OFFICER (Mr. FITZGERALD). Under the previous order, the Senator from Nevada is recognized.

Mr. REID. Mr. President, I extend my appreciation to the Chair. I yield now to the minority leader, with the agreement that I will have the floor when he completes.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DASCHLE. Mr. President, I thank my colleague, the assistant Democratic leader, for his willingness to allow me the opportunity to talk a little bit more about why we are here.

We are stalled for one reason: The majority leader has again, for the seventh time now, filled the tree, precluding 45 Democrats from offering amendments. That is why we are here. And on two other occasions this year, the majority leader preemptively filed cloture on measures immediately after calling them up—and then proceeded to other business in order to prevent amendments or debate. So nine times so far this year, the majority leader has said, well, we are going to decide which amendments are offered, we are going to decide which amendments are passed, we are going to decide what kind of role you as Senators ought to have, and we will tell you that you are not going to be able to offer amendments. We are going to decide, in other words, whether to gag you and to lock you out of the legislative process to which you were elected as a representative of the people.

It began on March 8, 1999, on the so-called Education Flexibility Act. The bill was offered, the majority leader was recognized, and the tree was filled, locking out every single Democrat from their right to offer amendments to the Education Flexibility Act.

He chose to do it again on April 22 on the Social Security lockbox. He said: We are going to have an up-or-down vote, and it is going to be our lockbox or none at all. We said: What about Medicare? What about locking up the Medicare trust fund? They said: No, you can't offer that amendment; we are going to fill the tree and preclude you from offering amendments on the Social Security lockbox. And, again, the issue was shelved.

On April 27, 1999, the Y2K Act, an extremely complex and very difficult issue, the majority leader came to the floor and filled the tree, precluded Democratic amendments, and said it is take it or leave it.

April 30, again he apparently tries to make the point that Social Security lockbox is important to Republicans—as long as Democrats don't have the opportunity to offer an amendment. Again, we said: We would like to offer an amendment on Medicare. Again, our Republican colleagues said: It is our bill or no bill. At that point, it went from becoming the Republican lockbox to, as our colleague from Maryland, Senator MIKULSKI, said this morning, the Republican ''squawk box.''

On June 15, 1999, the ''squawk box'' was debated again. Again, the majority leader offered the bill, filled the tree, precluded Democratic amendments, and the lockbox was shelved.

On July 16, Republicans used the ''squawk box'' approach again, claiming to be interested in getting the bill passed, precluding Democratic amendments on Medicare.

On June 16, in a similar situation, they did it again. They called up a House bill, the Social Security and Medicare Safe Deposit Act, filed cloture, and went off the bill to other business. And then, on September 21, the most recent effort by the majority leader and the majority to lock out Democratic amendments, they brought up the bankruptcy reform bill, filed cloture, and moved on to another bill, precluding Democratic amendments.

I only recite the litany of occasions when the majority leader filled the tree in order to make clear how objectionable this coercive tactic really is. For those who are not familiar with parliamentary jargon, ''filling the tree'' is a procedure that the leader can use to offer multiple amendments and thereby fill all of the available amendment slots that a bill has under the Senate rules, precluding any Senator from offering an amendment. That is what filling the tree is all about. Together with the practice of preemptively filing cloture, which has the same effect, it has been done now on nine separate occasions. The sad thing about it being done on this bill is that it plays right into the hands of the opponents of the legislation.

The opponents are very grateful to Senator LOTT and the majority for filling the tree because it certainly makes

it easy. It turns the issue away from whether or not one supports CBI to whether or not one supports a Senator's right to be a full participant in this Senate Chamber on this or any other bill. It ceases to become substantive and becomes a matter of individual Senator's rights.

Well, because I want this bill passed so badly and because I know it is one of the highest priorities for the administration, because I think this legislation has languished too long, because I think there is a real chance we can get this legislation passed and signed into law, going into conference with our House colleagues, I made an offer yesterday that was unprecedented since I have been leader. I said to the majority leader that if he would agree to allow us to offer on other legislation some of the amendments contemplated on this legislation, I would be prepared to work with him to table amendments on this bill. That is remarkable. It wasn't without a great deal of concern for protecting Senators' rights that I offered this latest proposal.

I draw a distinction between protecting a Senator's right to offer an amendment and supporting whatever amendment a Senator chooses to offer. I might not support an amendment on this particular bill, as important as some of these issues might be, but I will fight to protect every Senator's right to offer it. But there is a very important caveat here, and I think it needs to be emphasized. I insisted that we must have the opportunity to at least offer these amendments on another bill.

We have to have an opportunity, for example, to offer minimum wage on the bankruptcy bill when it comes up. The majority leader again said no. The problem, as we have said on so many occasions, is that there are those on the majority side who want this Senate to be a second House of Representatives. They want this body to act and to proceed as if it were the House of Representatives. That is the problem.

The amazing irony is that our Republican colleagues never dreamed of asking for this kind of procedural constraint, this kind of enslaved approach to legislation, when they were in the minority. They had no trouble offering extraneous amendments that were not necessarily relevant to a particular bill when they were in the minority. Of course not. The amazing thing is Democrats did not insist on a procedural constraint of the magnitude our Republican colleagues are now demanding.

Why? Because we had the confidence when a bill came to the floor that we would have a good debate, we would take all comers, we would table amendments that we didn't support, and we would offer second-degree amendments that we thought would be approved. We used all of the tools available to us. And this Senate acted like a Senate.

This Senate isn't acting like a Senate today. This is a sham. This is a terrible excuse for this body. This should not happen. We should not have to come pleading for the right to do what we were elected to do. And it happens over and over—almost once a month this year.

I am telling you, we are losing some of the institutional tradition here. We are seeing the erosion of an extraordinarily important body and the rights incorporated within that body. Who today could, without smiling, argue that this is the most deliberative body? Who could say with a straight face, yes, this is still the world's most deliberative body? I daresay no one could say that. There is nothing deliberative about the Senate today. They want to make this a legislative assembly line. You take something up, you vote it up or down, and you move it along.

I am surprised we don't have a conveyor belt somewhere on the lower part of the floor where we just kind of say yes and no, yes and no, as bills on the conveyor belt come through—no debate, no deliberation; let's move them out.

This isn't what our Founding Fathers expected of us. They expected more. They put the rights in the hands of Senators to say: No, let's slow down on the legislation; or, I want to be able to offer an amendment. And I don't care whether it is a farm bill to a peace treaty. We want to have the opportunity to deliberate in the most deliberative body. Rubber stamping doesn't work around here. We have only had a handful of amendable vehicles—just a handful.

The response from the majority leader to my offer suggests that there may never be another amendable vehicle in this session of Congress—with no amendments on this bill, no amendments on any other bill. That is what the Republicans want. The results of doing business this way is remarkable.

We talk about a legislative landfill. I am telling you, I have never seen a legislative landfill of the magnitude we have today. We keep throwing bills into the legislative landfill, and that landfill keeps getting larger.

This has been the biggest legislative graveyard I have seen since coming to Congress. Republicans get elected to prove government doesn't work, and they prove it every day. When they are in control, they prove that government doesn't work because they don't want it to work. They don't want minimum wage. They don't want a Patients' Bill of Rights. They don't want good gun legislation. They don't want a Medicare prescription drug bill. They don't want legislation that moves this country forward. They don't want it. They don't want to admit it. They ought to admit it.

We are not going to be a part of this. We are going to stick up for our rights. We are going to amend legislation when it comes to the floor. We are going to go back into that legislative landfill and one by one we are going to recycle, because I am telling you that is what this Senate and this country needs. We are going to recycle the Patients' Bill of Rights until it is done right. We are going to recycle minimum wage. We are going to recycle the gun legislation. We are going to recycle farm legislation. We are going to recycle every single bill the Republicans insist on burying, and we are going to keep coming back because that is what we were elected to do. That is what we are going to do. That is what we believe in doing.

I have to say I am disappointed. I am about as patient a person as I think I can be, but I lose my patience, and I get angry and frustrated at the level of duplicity and the extraordinary encumbrances that the majority demands of this body each and every day we legislate. This is wrong.

I am not proud to be in the Senate when I can't legislate as a Senator. I am not proud when we tear away the pillars of the Senate institution. I am not proud when I can't go to the public and say, yes, I am one of the 100 Members of the greatest deliberative body in the world. I am not proud about that. For however long I am here, I would like to be proud of the fact that, as a Senator, I lived up to the traditions and the practices and the extraordinary honor that comes with being a Senator. But that isn't happening today.

I left the House of Representatives 12 years ago for a good reason. I thought I could do more here. I thought I could play a bigger role here. I thought the Senate was where a Senator could really legislate. It was true in 1987. It was true in 1992. It was true all the way up until recently when slowly but most assuredly date by date, bill by bill, in filling the tree and using other devices, this majority leader said no. No. We are going to be a House of Representatives. Forget regular order. Regular order says you can offer amendments. We are not going to have regular order in the Senate. We are going to have narrow order, or no order at all, as the case may be.

What order is there when Senators can't offer amendments and we are stymied for 2 days? Do you realize how many bills we could have finished, or how many amendments we could have finished in just the last couple of days? We probably could go to final passage with the number of Senators who support this legislation by the end of the week. But here we are stymied once again.

We haven't passed the Social Security lockbox. That is part of the legislative landfill because we have filled the tree.

We haven't been able to pass anything where the majority leader has filled the tree until he has torn the tree down. That is the case here as well.

We will never let this legislation pass if we can't offer an amendment, not because we don't support it—I strongly support it—but because I also even

more strongly support the right of every single Senator to be partners in the legislative process.

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

Mr. DASCHLE. I would be happy to yield to the Senator from California.

Mrs. BOXER. I thank my leader for his comments and his spirit because it is the spirit we need in this country, which is the can-do spirit. We can take care of the people's business, even if it is difficult for my friend. I know it is because I know the kind of goodness he has in his heart. This isn't his favorite moment to come down to the floor and have to express his feelings of dismay and his anger, frankly. My friend listed bills that are in the landfill, the graveyard. I want to ask the Senator about three other issues that I think are in danger of joining in that Republican graveyard: The 100,000 teachers, the 100,000 police, and decent, qualified judges who have been waiting for years to get a vote.

I wonder if my leader would comment on those three areas, as well.

Mr. DASCHLE. The Senator from California puts her finger right on the issues I omitted, and rightfully so. One year ago, we all had a bipartisan agreement and celebrated the fact we were going to reduce class size. How ironic it is now, after all the celebration, that in just 12 months Republicans have had a change of heart. Now, apparently, class size is no longer an issue. Now, apparently, it is OK to have kids in classrooms with 35, 40, 50 children. It doesn't matter. The Senator is right about that.

The Senator is also right about judges. I don't know how anyone can look Judge Paez in the eye and say he got a fair deal. I don't know how Members tell anybody who has had to wait for more than 3 years that this system is fair. I don't know how Members tell the Hispanic community we are being equally as fair with them as we are with all non-Hispanic judges when that simply is not true. If one is in a minority, that person has a bigger contest in getting confirmed. That is a fact. I won't deal with all the perceptions that creates, but it is wrong. Hispanic or non-Hispanic, African American or non-African American, woman or man, it is wrong not to have a vote on the Senate floor.

What are they afraid of? What are they afraid of? What is wrong with a vote? There is something wrong in our system when somebody has the right to tell somebody who is willing to commit him or herself to public service that we are going to make that person wait 3½ years just to get a vote. We are not going to tell them what is wrong. We are not going to say if there is something wrong in their background. We are not going to debate whether they have qualifications or not. We are going to make them wait, and hopefully they will go away. Hopefully, they will go away.

What does that say? What does that say about the intentions of people on the other side? Go away. Don't make any noise.

That is wrong. That is worse than a legislative landfill.

Mr. KENNEDY. Will the Senator yield?

Mr. DASCHLE. I am happy to yield to the Senator.

Mr. KENNEDY. I commend the Senator for his very eloquent and accurate assessment of what has happened to this institution. I have been here for some period of time, and I say this is absolutely a unique set of circumstances. The leader has, I think, accurately described the current system.

I think it is important, as our friend from California pointed out, what it means in terms of people's lives. We can talk about the tree and blocking amendments, but let's take one bill, the Patients' Bill of Rights.

This chart lists in white all the provisions that were in the Senate bill, which our Democratic leader managed so well, and which was submitted in the Senate. All of these provisions represent the best judgment of a bipartisan commission set up by the President. They unanimously made these recommendations. They had to be unanimous in order to make the recommendations. They didn't make the recommendation to put them in law, but they said: This is what is necessary to protect the people. Or by the insurance commissioners, that are neither Democrat or Republican organizations; or, in other instances, in Medicare.

This side of the chart represents what happened in the House of Representatives with a bipartisan group of House Members, 68 Republicans and the Democrats. These full dots indicate the House of Representatives has effectively agreed with the legislation advanced by the minority leader.

I ask, since this was a bipartisan program and the leader had the overwhelming support of the Democrats, whether the Senator would not welcome the opportunity this afternoon to go ahead and pass what was passed in the House of Representatives so we would not have the kind of circumstance we have every single day we are delayed: 35,000 Americans delayed or denied specialty care; 31,000 forced to change doctors; 18,000 forced to change medicine indications; 59,000 Americans with added pain and suffering; 41,000 with a worsening condition; and 11,000 with permanent disability.

That happens every single day.

As I gather from what the leader has said, the kind of legislative trapeze that has been set up by the majority leader denies this minority the opportunity to take action that can make a difference in the lives of the families of America. I think it is worthwhile, as we talk and listen carefully to the Senator's concerns, to know the result of the inaction. Real families are being hurt in America. They don't have to be hurt. Republicans and Democrats alike got together to provide some protection, but this leadership in this body is denying the American people the ability to receive the kind of protections they should.

Mr. DASCHLE. The Senator from Massachusetts is absolutely right. He gave a perfect illustration of how they are being hurt on health care. I think he is also right that it is important to try to put this in terms the American people understand. This has to do with more than just procedure. We are talking procedure, and sometimes I may get too engrossed in my own procedural frustration to try to ensure that we talk about this in ways the American people fully understand.

If anyone out there today has been ripped off by an insurance company or has been denied care by a hospital or doctor because they are being told by the insurance company they cannot do it, those people are affected by what is happening this afternoon on the floor, one of the thousands of people who have been adversely affected by our inability to have a good debate. Anyone out there who has a child in a classroom with 35 or 40 kids is affected by what is going on right now.

If anyone out there has been affected by some crime in the neighborhood because we haven't fully funded the COPS Program, then, by golly, those Americans are affected dramatically by what has happened right now. If anyone is out there working at lousy minimum wage and can't make ends meet, they are affected by what is happening right now because the other side doesn't want a minimum wage increase—not this year, not ever. If they did, they would have supported it a long time ago. If anyone out there wonders why this is all going on, turn the pages of the calendar back 2 weeks and find out it was their side that defeated campaign finance reform and we are affected by what is happening right now. Don't let anybody out there, I don't care what issue, think this is not relevant.

The assistant Democratic leader probably made the best illustration. I think our people are in greater danger today than they have ever been before to the exposure of greater nuclear proliferation because of what the Senate did 3 weeks ago. You are affected by it. You are affected by it.

This is more than procedure. This is what is going on here and how affected we are by it. This has everything to do with why we got elected in the first place, because we wanted to come down and fight for these issues. It is more than whether we can offer an amendment, it is whether we pass the amendment. It is whether we do something good for this country, for whatever limited time we are here. That is what this is about.

We came to fight. We came to fight for the things in which we believe: A better minimum wage, more teachers, a good health care system, an end to nuclear proliferation, a safer neighborhood, a better minimum wage—things

about which people today can only dream. That is what we came to fight for. There are opportunities for debates about things; there ought to be.

We have to decide what kind of body this is going to be. Those who wish for the rules of the House ought to go to the House. To understand the 200-year tradition of the Senate, pull open this drawer. I see some wonderful names, names in some cases that have been there for generations. These people, the people in my drawer, fought for the same things I am fighting for right now. These people fought for health care, these people fought for better working conditions for families, these people fought for a safer neighborhood, these people fought for the arms control agreements of their day. They fought. They were not handcuffed. They were not gagged. They were not confined to a legislative straitjacket. They fought valiantly, and today we sing their praises as the legislative leaders and giants of old.

We want to fight. We want to be part of this process. We want to be able to pass this institution onto the next generation of Senators and say: Welcome to the greatest deliberative body in the world.

Mr. DURBIN. Will the Senator from South Dakota yield?

Mr. DASCHLE. I am happy to yield.

Mr. DURBIN. I want to make sure those who are following this debate understand what we are talking about. When we use terms such as ''fill the tree,'' which we are talking about, we are basically talking about a gag rule here which says Members of the Senate can't offer amendments.

Some critics say: We know what you mean; the old Senate filibuster. You want to go on forever offering amendment after amendment after amendment so you can never get anything done around here.

Can the leader on the Democratic side tell us, have we offered to the Republican side to limit the debate on the amendments, to limit the number of amendments, to require they be published in the RECORD so we know the parameters of the debate and so we know it will come to an end at a certain time, we know there will be an up-or-down vote? Has that been part of the bargaining?

Mr. DASCHLE. The Senator from Illinois has raised an important question. On the issue of bankruptcy, the answer is absolutely yes.

My initial position on bankruptcy was, we ought to have the opportunity to offer amendments, relevant or nonrelevant. We ought to use regular order—I should say that. We ought to use the regular order of the Senate in taking up a bill. That is what my suggestion was.

The majority leader said: No, we cannot do that.

So I said: What about offering at least five amendments that may not be directly related to bankruptcy but are important to Democrats?

He said: No, we can't do that.

I said: What about offering three amendments that are important to Democrats that may not be directly related to bankruptcy, requiring that all Senators file all relevant amendments prior to a certain time?

I am told now the majority leader cannot do that.

So, inch by inch, step by step, the majority wants to rob you and rob every single Member on this side of the aisle of your right to be a full partner in the Senate.

We all want to be able to move legislation. I will agree with some, disagree with others. Ultimately, if the Senator from Illinois is right and we are able to close the gap on bankruptcy with some good amendments, I will be supportive of that legislation. I expect to be. But I also expect you will have a right to offer an amendment.

Mr. DURBIN. Will the Senator from South Dakota yield?

Mr. DASCHLE. I will yield for a question.

Mr. DURBIN. Will the Senator agree with our former friend, late departed Mike Synar, Congressman from Oklahoma, who is quoted as saying: If you don't want to fight fires, don't become a fireman, and if you don't want to come to Congress and vote on tough amendments, don't run for the House or Senate.

Mr. DASCHLE. The Senator from Illinois recalls and I recall our wonderful colleague very well. No one was sharper, more energetic, brighter, better liked in our caucus in the House than Mike Synar. He said that and a lot of other truthful things. He was right.

It makes me wonder what people are afraid of. What in the world are Senators afraid of, bringing up and debating an amendment? We used to do that all the time. I can recall so many occasions when we had to come down to the floor and table an amendment that might have had immediate popularity but was not good for the country. We did that. We tabled amendments. We second-degreed them.

Again, I am getting into ''beltway speak'' here, but the bottom line is, we respected Senators' rights to fight for the things they cared about, to fight for the things for which the people sent them to fight.

The Senator from Illinois has done that on an array of issues. Every Senator on this floor has come with a certain agenda and a belief they could make a difference. But how do you make a difference if you do not have a voice? How do you make a difference when you do not have an opportunity to legislate? How do you make a difference when you are really shoved back into the mentality and the constraints of the House of Representatives when you are a Senator? That is not what the people of our States and this country sent us to do.

Mr. HOLLINGS. Will the distinguished leader yield?

Mr. DASCHLE. I am happy to yield to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the stand the distinguished leader takes is one of a fundamental nature. It is one of principle and not politics, and I am in the best position to comment upon it, for the simple reason, the distinguished Senator from South Dakota favors the Finance Committee bill. He would favor throttling me and getting rid of me and having a quick vote. But he understands, better than any, there is more to the Senate than a gymnasium for political gymnastics whereby, on parliamentary positions, you can just cut everybody off.

I cannot see Senator Mansfield for a second going along with this nonsense. I could not see for a second Senator Dirksen even suggesting it. There has always been an unwritten rule of comity and understanding and friendship and the strength of feeling. Sometimes, when Senators have that feeling, it is respected by the other 99 Senators.

Here, the Senator from South Dakota, our minority leader, has been very eloquent on the position taken as a matter of principle. His politics are otherwise. He could go along with Senator LOTT and say: The dickens with it, fill up the tree, tomorrow we'll vote, we'll have cloture, and this bill will be over with, and everything else of that kind.

But the opposite is the case. He has taken a stand for the Senate majority and minority. It is a Senate stand. I commend him for taking it.

Mr. DASCHLE. I thank the Senator from South Carolina.

I know the assistant Democratic leader has been very patient, waiting to speak. For that reason, I yield the floor.

Mr. REID. Before the leader leaves, on behalf of the Democrats in the Senate and the people of the United States of America, we congratulate and applaud his statement. The Senate stands for what our Constitution was set up to do. We are not the House of Representatives. We are not elected every 2 years. We are to be a deliberative body, and the leader spoke so well in that regard. I, as I said for all Democrats and for the country, respect and appreciate his position.

I would like to ask a question of my friend from North Dakota. I say to my friend from North Dakota, does he remember—I see at least five Senators, here coincidentally on the floor, all of whom agreed to oppose the rush by the Republicans to have a constitutional amendment to balance the budget. We opposed that, the five of us on the floor today: The Senator from California, Mrs. BOXER; the Senator from Massachusetts, Mr. KENNEDY; the Senator from South Carolina, Mr. HOLLINGS; this Senator; and the leader walking out to his office.

Do you recall we all opposed the constitutional amendment to balance the budget that was presented by the Republican majority? Do you recall our opposing that?

Mr. DORGAN. In response to the Senator from Nevada, when we had the debate in the Senate on the constitutional amendment to balance the budget, one of the questions we raised was about writing into the Constitution of the United States a practice of using Social Security trust funds for the purpose of balancing the budget; in other words, taking trust funds that were designated for Social Security, which came from the taxpayers' paychecks and put into a trust fund, and using them as other revenue, just as if it was any other dollar of tax revenue. We raised the question: Do you think it is appropriate to weld into the U.S. Constitution a practice as dishonest as that? These are trust funds, after all.

Mr. REID. What was their answer to that question?

Mr. DORGAN. Their answer was: We insist on doing it this way; we demand we change the U.S. Constitution by requiring that Social Security trust funds be counted as any other form of revenue for the purposes of computing our budget balance. We demand it, they said.

One of the meetings was in this Cloakroom, another back there, another on the floor. We said: But that is not an honest way of budgeting. If you did that in private business—if you have a company and you want to show how much profit you made last year, and in showing how much profit, you want to bring your employees' pension moneys into the bottom line and say that is the profit, if you do that, you are going to get 10 years of hard time in some prison.

We said: It is not appropriate to use Social Security trust funds and certainly not appropriate to lock it into the Constitution.

They said: We have to use them; it is the only way we can balance the budget. They said, back in the Cloakroom, to Senator CONRAD and myself: We will make a deal with you. We want to write into the Constitution that we can use the Social Security trust funds to balance the budget, just as other revenues, just take them out of the trust funds and use them as other revenues, and we will stop doing it in the year 2012.

Mr. REID. Does the Senator remember that was put in writing by one of the Republican Senators?

Mr. DORGAN. The year 2012 was not put in writing. We said that doesn't make any sense.

They have two stages of denial. First, we are not using Social Security, they said. Second, if we are, we will stop by 2012.

Then they said: If you don't buy 2012, we will actually put in this constitutional amendment that we will stop using the Social Security trust funds in 2008. And that is what they put in writing. I still have that deep in the bowels of my desk somewhere with their handwriting: We propose we stop using Social Security trust funds by 2008, but we insist on the right to do it until then. In fact, we want to put it in the Constitution of the United States.

Mr. REID. Does the Senator recall that the Senators on the floor offered our own constitutional amendment to balance the budget that said we want to balance the budget the hard way, the honest way, and we do not want to use Social Security surpluses? We offered that amendment and the Republicans, all but two of them, voted against it; is that right?

Mr. DORGAN. The Senator is correct on that. We offered that amendment, in fact, on a couple of different occasions. They wanted nothing to do with it.

The reason this is an important issue, if I can respond to the Senator from Nevada, is because we have the majority party running television ads across the country at the moment.

Mr. REID. I wanted to give a lead in to my friend from North Dakota. North Dakota is a State sparsely populated, somewhat similar to Nevada. The State of North Dakota has a single congressional district; is that right?

Mr. DORGAN. That is correct.

Mr. REID. Republicans have been running ads, I have been told, in that congressional district, which is that whole State, saying Democrats are bad because we are using Social Security surpluses to balance the budget. Are they running ads like that? And if they are, will the Senator from North Dakota comment on what is going on?

Mr. DORGAN. In our State and others, the majority party is running ads, and the ads are fundamentally dishonest. In political dialog, you have a right to say what you want to say even if it is fundamentally untrue. The ads in North Dakota by the Republican Party are saying the Democrats are stealing, taking Social Security trust funds, they are spending trust funds. In fact, just the opposite is the case. It is the majority party that is taking the trust funds. They demanded they be taken back in the debate on the constitutional amendment. In fact, they demanded the opportunities to take them and put it in the Constitution.

They are doing it and denying they are doing it and charging others. It is akin to the big bully on the schoolyard playground who blames somebody else: No, ma, those aren't my cigarettes; I was holding them for two other guys who were fighting. It is that approach.

Let me read a letter to the Senator from Nevada from the head of the Congressional Budget Office.

Mr. REID. Dated today?

Mr. DORGAN. Dated today.

Mr. REID. Will the Senator explain for those within the sound of his voice what ''CBO'' is?

Mr. DORGAN. The Congressional Budget Office is an office that has historically been a nonpartisan office. It is supposed to be the scorekeeper. This would be the referee keeping score on numbers and budgets. What happened previously—this is very interesting—is the majority party wrote to the Congressional Budget Office, and they said—

Mr. REID. The Republicans wrote; is that right?

Mr. DORGAN. That is right. They said they wanted to have certain directed scoring adjustments. Let me give an example of what is a directed scoring adjustment. They were writing to the Congressional Budget Office to get comfort for what they were doing. Directed scoring adjustment is, if I went to an accountant and said: All right, I want you to certify for me what my checkbook balance is, but I direct you not to count the last 10 checks I have written in determining the balance. That is a directed adjustment.

Or I say: I want you to tell me whether there are any hills on the Earth, and for that purpose, will you assume that the Earth is flat. That is a directed assumption.

The Republicans used these directed assumptions and said to CBO: Using these directed assumptions, tell us, are we in good shape?

CBO: Yes, using those assumptions, you are in fine shape. Not using Social Security money, you are in good shape.

This is what Mr. Crippin, the head of CBO, says in response to Congressman Spratt who wrote to him:

> As you requested, these estimates reflect the Congressional Budget Office's assumptions and methodology and exclude these directed scoring adjustments.

That is the little funny money put in—

Mr. REID. The last 10 checks; they can count everything.

Mr. DORGAN. Right. This is an honest look. There are no games here; they haven't jimmied up the estimates on the baseline based on a request by anybody. Here is the honest look, and what they say is: Having done your 13 appropriations bills, Republicans in Congress, you have now spent $17 billion of the Social Security trust funds this year, and you will require a nearly 6-percent, across-the-board reduction in all spending—all spending—veterans' health care, senior citizens, the WIC Program for infants and low-income women, the Head Start Program—you will require a nearly 6-percent, across-the-board cut in all spending in order to avoid your continued use or misspending of the Social Security surplus.

This is today's letter. I want to make this point: Those who are spending the money to put the dishonest ads on television this afternoon in my State ought to be ashamed of themselves. They ought to be ashamed. They know it is dishonest. This proves it is dishonest. But money in today's politics is speech. If money is speech, there are a lot of speechless people in this country, and that is regrettable. But the folks with the money can put a television ad on and say down is up, black is white, grass is purple—whatever they want to say, and they can, as they have done, ask somebody with directed scoring adjustments, tell me my bank balance if you don't count the last 10

checks; or tell me the Earth is flat if I insist the Earth is flat in the assumption.

They create a dishonest brand of politics in this country. Shame on those who do it.

Mr. REID. I say to my friend from North Dakota, what you are saying is the majority party, the Republicans who run this place—they have the majority, they are passing these appropriations bills—and the CBO has said they have already used—they, the majority party who gets bills passed here—they have used Social Security surplus moneys this year and they are running ads in the State of North Dakota and around the country saying Democrats are using Social Security money? The Senator has been very discreet in his description. To me, where I come from, that is a falsehood; that is a lie; that is dishonest. Am I misinterpreting what you have said?

Mr. DORGAN. No; the Senator has stated it exactly as I said. Let me mention one additional point that relates to something about which the Democratic leader spoke.

One could say: Well, if you know this to be true—we know it to be true by the Congressional Budget Office today—why don't you do something about it? Why don't you bring an amendment to the floor of the Senate?

The point is, we can't bring an amendment to the floor of the Senate. The Senate is tied up, deliberately. We have what is called a legislative tree that has been created that would prevent those on our side from offering amendments.

If I might just take one additional minute. I grew up in a town of 300 people. We had an elderly widow in my town, kind of a disagreeable elderly widow. She had a huge crab apple tree in her front yard. And she was disagreeable enough to demand, although she had so many crab apples—she could have fed the whole town; they dropped on the ground—she demanded that children never pick her crab apples. So, of course, we had to wait until after dark to pick her crab apples. But she was only disagreeable with those she did not want to pick crab apples. Her friends, she would usher them in, and they would pick her crab apples.

I was thinking about the majority leader today and the tree. It is kind of like that disagreeable elderly woman in my hometown. He says: I want to create a tree here and decide—standing right over there on the floor—who can come in and pick the fruit from this tree. By the way, that doesn't include anybody from the Democratic side of the aisle—nobody. No one on that side of the aisle is going to pick any of my fruit.

Why? It is partisan. Everybody says: Well, this is all partisan with you. It is not partisan with us. It is partisan with those who want to run the Senate in a manner that says our friends are going to have full opportunity to bring their ideas to the floor of the Senate—and, after all, that is the only currency in this kind of institution: An idea, a good idea. The majority leader will say: The way I want to run the Senate is my friends have an opportunity to bring their ideas to the floor of the Senate; and we are going to have votes; but you in the minority will not, and may not, have that opportunity.

That is why we cannot allow that to continue. It is unforgivable to allow that to continue.

Mr. REID. I direct a question to my friend from California.

You have heard the dialog, the discussion, the colloquy between the Senator from North Dakota and the Senator from Nevada. I would like the Senator to comment on something that was killed here a couple weeks ago, and that is campaign finance reform. Why is it needed? I would like the Senator to comment on that. Especially in light of all these false ads that have been running all over this country, why do we need campaign finance reform in our country, which the Republicans have killed?

Mrs. BOXER. I think one of the reasons people are disillusioned today and do not participate in the greatest democracy in the world is that they believe their voice does not count. They believe money talks. And listening to the debate we had on this floor, with the Senator from Kentucky on their side of the aisle leading that fight, I am sure they have concluded they are right. The Senator equates money with speech. It was, to me, one of the saddest debates I have ever heard around here.

People do not vote, they do not participate, because they believe they do not count. Ordinary people, average people, they can't make the $1,000 contribution, or the $5,000, or the $10,000, or the $20,000 contribution, or, frankly, the $100,000 and $200,000 contributions of soft money that come into play here.

I think it was a very sad situation when the Republicans, defying a majority of this Senate—and we had a majority vote for campaign finance reform—took that piece of legislation and threw it into the graveyard, along with all the other things our Democratic leader and our assistant Democratic leader have talked about—all the important things: The HMO reforms, the teachers, the policemen, the Comprehensive Test Ban Treaty, and a number of other issues that they have thrown into that graveyard, the last one being campaign finance reform.

Mr. REID. We have been so impeded in progress around here.

Does the Senator also recognize we have done nothing with important environmental issues facing this country?

Mrs. BOXER. Yes. I have been waiting 3 days to see us get into a debate on the things that matter to people—things such as the minimum wage and environmental protection.

Mr. REID. The minority leader has mentioned, and the Senator from California has just mentioned, minimum wage. Does the Senator from California understand that over 60 percent of the people who draw minimum wage are women, and of those 60 percent, for 40 percent of them that is the only money they get for their families? So, in short, would the Senator agree that the people who need minimum wage are not teenagers at McDonald's flipping hamburgers?

Mrs. BOXER. Absolutely. My friend is right. We held a number of press conferences before the last increase of the minimum wage—which now seems like history, it was so long ago—where we brought that point out that 60 percent of the people on minimum wage are adult women who are supporting their families. They work very hard. If they work full time at a minimum wage job, I say to my friend, they are way below the poverty line. They are earning about $11,000 a year. For a family of three or four, they can barely make it. They can't feed their kids, pay their rent, or buy many clothes at all.

So the bottom line is, my friend is right. When we talk about minimum wage, we should get behind what that means. What that means is, if we do not raise it, people in this country will be hungry, children in this country will be hungry. We already have many children living in poverty. That is the largest group of our citizenry living in poverty.

I want to ask my friend to comment on something here, if he would do me that favor. I am so proud of his leadership and that of Senator DASCHLE today in framing the issues.

When I heard the Senator from North Dakota go back and forth with my friend from Nevada on the Social Security issue, I was very glad they raised this issue on the floor. Because of the fact that we have a social safety net for seniors in this country, we have seen that the people in poverty no longer are the senior citizens. We should all be proud of that. But I want to read just a few lines from an editorial that ran in the San Diego Union Tribune. It was written by a man named Lionel Van Deerlin who, for many years, was in Congress.

Mr. REID. From California.

Mrs. BOXER. Correct, from the San Diego area. He is now a senior citizen himself and quite sharp, as you can tell from this.

I am going to read probably just 2 minutes' worth of his words, and I would love my friend to comment. It is called ''Trusting the GOP to 'save' Social Security.''

> For anyone who just fell off the turnip truck, Republicans in Congress have a new rallying cry—''We won't let them raid Social Security!''. . . .
>
> [Tom] DeLay [who is the Republican whip in the House] asks us to believe that the Social Security trust fund is under assault by Democrats, and we must trust his party [the Republican Party] to protect it.
>
> I'd sooner entrust a lettuce leaf to a rabbit. Credibility surely matters. In probing the violence at Grandmother's house in the woods, whom do we believe, Little Red Riding Hood or the wolf?

Here is one of those demonstrable facts of history:

And he goes on:

Had it been left to the Republicans in Congress, we'd never have had Social Security in the first place. Nor Medicare.

He says:

GOP House and Senate members invariably lined up in opposition to these social programs.

Mr. REID. Would the Senator pause from finishing her statement?

Mrs. BOXER. Yes.

Mr. REID. I carry with me in my wallet, because I think it is hard for people to comprehend this is true—here it is. Just to show Lionel Van Deerlin is not too old to remember what really happened, I have here what I carry in my wallet: GOP leaders on Medicare and Social Security.

Let me read to the Senator what some of the leaders have to say.

House Majority Leader DICK ARMEY, with whom we both served when we were in the House, said:

Medicare has no place in a free world. Social Security is a rotten trick. I think we're going to have to bite the bullet on Social Security and phase it out over time.

I could read a statement from former leader Bob Dole, from House Speaker Gingrich.

The point is, Lionel Van Deerlin is right on target because Republicans did not vote for Social Security to begin with. And they still hate it.

Mrs. BOXER. I am glad you carry that around because if you were to listen to these ads on TV, you would think the Republicans thought of the idea of Social Security and Medicare, when, in fact, they fought it every inch of the way.

Just a few years ago, in 1994, DICK ARMEY, in addition said if he were here, he wouldn't have voted for Social Security.

So this is what Lionel Van Deerlin writes.

GOP House and Senate members invariably lined up in opposition to these social programs.

As Casey Stengel would advise, you could look it up.

He writes further on:

Yet when President Roosevelt's original Social Security bill neared passage the following year, every Republican present voted to ''recommit'' the measure. To send it back to committee, that is, to kill it.

He goes on:

Today's GOP generation offers little more to warm one's hands on. House Majority Leader Dick Armey, a one-time economics professor, has openly urged the phasing out of Social Security. And no less a prophet than ex-Speaker Newt Gingrich tipped his hand upon taking the gavel in 1995.

''Let it wither on the vine,'' was his chilling suggestion for dealing with a system vital to the support of nearly 45 million Americans.

He continues:

I offer the foregoing compendium from public records, not to belittle or embarrass decent, often likable leaders of past and present. They did not climb the ladder with subnormal IQs, nor by ignoring ordinary folk in their respective states and districts . . . no matter how earnestly Armey, DeLay, [and the Republicans] ask us to trust them in regard to Social Security, I offer this advice:

Don't.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorial from which I just quoted.

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

[From the San Diego Union Tribune, Oct. 27, 1999]

TRUSTING THE GOP TO 'SAVE' SOCIAL SECURITY

(By Lionel Van Deerlin)

For anyone who just fell off the turnip truck, Republicans in Congress have a new rallying cry—''We won't let them raid Social Security!''

Those of us past 65 are expected to feel relieved. Final budget negotiations are under way between Congress and the White House. Listen to those Sunday talk shows and you'd believe a profligate president is poised to riddle the retirement system that has served America since before thoese guys were born.

A bone of contention concerns the willingness of either side to rely on a portion of the Social Security trust fund in balancing the Treasury's books. Though this has happened often in the past, it's a crutch that should not seem necessary in light of record surpluses.

But resolving the question hardly seems worth another government shutdown. Nor, I'd add, letting one side escape nearly seven decades of some pretty telling history.

My understanding of actuarial tables and most financial matters is no sharper than average. I sometimes lose my way in a maze of bookkeeping totals. But the years have not impaired my memory. And when someone like Republican Whip Tom DeLay, the ex-termite mogul from Texas, impersonates Horatio at the Bridge. I cringe in wonderment.

DeLay asks us to believe the Social Security trust fund is under assault by Democrats, and we must trust his party to protect it.

I'd sooner entrust a lettuce leaf to a rabbit. Credibility surely matters. In probing the violence at Grandmother's house in the woods, whom do we believe, Little Red Riding Hood or the wolf?

Here is one of those demonstrable facts of history: Had it been left to the Republicans in Congress, we'd never have had Social Security in the first place. Nor Medicare. GOP House and Senate members invariably lined up in opposition to these social programs.

As Casey Stengel would advise, you could look it up.

Midterm elections in the Depression year 1934 had reduced GOP ranks in the House to fewer than 90 members. Yet when President Roosevelt's original Social Security bill neared passage the following year, every Republican present voted to ''recommit'' the measure. To send it back to committee, that is, to kill it.

It was much the same with Medicare nearly 30 years later. In July, 1962, only five Republican senators supported President Kennedy's plea for this historic expansion of Social Security—which then failed on a 52–48 vote. The eventual enactment of Medicare had to wait three years more.

Almost always, top GOP leaders were slow to embrace or to improve the sort of social insurance system long in place among other industrial nations. Sen. Barry Goldwater, the GOP's 1964 presidential candidate, may have doomed his chances in the New Hampshire primary by saying:

''I would like to suggest that Social Security should be made voluntary—that if a person can provide better for himself, let him do it.''

And Ronald Reagan? The conservative magazine Human Events in November, 1966, quotes the future president saying ''Social Security ought to be voluntary . . . so those who can make better provision for themselves are allowed to do so.''

Ten years later Reagan was telling The New York Times: ''Don't exchange freedom for the soup kitchen of compulsory insurance.''

The soup kitchen? It goes without saying that noting in the law prevents any recipient from making better provision for him or herself, as most do. But without the total involvement of all wage earners, Social Security would quickly slip into a massive welfare system for the improvident and unlucky. And higher taxes for the rest.

Today's GOP generation offers little more to warm one's hands on. House Majority Leader Dick Armey, a one-time economics professor, has openly urged phasing out Social Security. And no less a prophet than ex-Speaker Newt Gingrich tipped his hand upon taking the gavel in 1995.

''Let it wither on the vine,'' was his chilling suggestion for dealing with a system vital to the support of nearly 45 million Americans.

I offer the foregoing compendium from public records not to belittle nor to embarrass decent, often likable leaders of past and present. They did not climb the ladder with subnormal IQs, nor by ignoring ordinary folk in their respective states and districts.

Dr. Kevorkian, too, seems an intelligent and genial fellow. It's never unreasonable to seek a second opinion.

Meanwhile, no matter how earnestly Armey, Delay, et al. ask us to trust them in regard to Social Security, I offer this advice:

Don't.

Mr. REID. I say to the Senator from California, we came to the House together in 1982. I had never seen you before until the day we had our orientation. We have served together in the House of Representatives and the Senate. You and I have been involved in some very tough campaigns over the years. I have always been so proud of the Senator from California, because it doesn't matter if you are speaking to the League of Women Voters or to a high school class, whoever you are speaking to, you say the same thing in response to the same question.

You have had tough, hard campaigns, but you have never deviated from what you believe in. It has caused you some heartache and heartburn because they have been tough decisions. That is why I am so upset and feel so oppressed, put upon, and don't know what to do about these ads running all over the country.

You can have tough campaigns. A person can run against BARBARA BOXER. A person can speak out against BARBARA BOXER on an issue because they disagree with how you feel on that issue. That is what government is all about. That is what governing is all about. But not to come up with, we love Social Security and the Democrats are trying to destroy it. That, I am sorry to say, is not fair. It is not right. It is dishonest. It is wrong. This is what a totalitarian government is all about. If you tell a lie long enough, people might believe it.

I hope the American people will not believe the lie being perpetrated around this country by the Republicans saying Democrats are trying to destroy Social Security. We founded Social Security. Just as Congressman Van Deerlin said, we did it on the votes of Democrats. We have saved Social Security. We are the ones who stopped it from being placed in the constitutional amendment to balance the budget, where they would raid the funds more. What is happening around the country is distasteful. It is wrong. It is dishonest. It is repugnant. Somebody should speak out against it. That is why you are here today.

Mrs. BOXER. I am so proud of the Senator's leadership today on this issue and so many others. I think these ads are going to backlash. In the end, the truth will come out. The American people are fair people. The American people are going to judge us, and they are going to judge us harshly on what we say and what we do. But they want the truth.

I do believe that with this kind of writing by Congressman Van Deerlin, who left the Congress a long time ago but still carries a tremendous amount of respect, his being, in his own conscience, unable to let this go and writing such strong words with a sense of humor—and editorials are popping up all over the country—I think the Republican Party is going to find a backlash across this Nation. I believe in my heart people will understand what they are doing.

It is fair to attack a candidate, a Senator, a Presidential candidate, a President on an issue. It is fair to do that. It is not fair to make up a story, make up a scenario because you have taken a poll and you know you are on the wrong side.

As I said today, the Republicans say they created a lockbox for Social Security. They forgot to tell us, they have the key. They already opened up that lockbox to give $18 billion to the programs they want. It is similar to the crab apple analogy before. They are taking out those apples, $18 billion, and then they hold the key.

The bottom line is, to say we are not protecting Social Security doesn't pass the smell test or the laugh test or the test of time or the test of history.

I am, again, proud of my friend for taking the floor.

Mr. REID. In closing our dialog, I have confidence in the sense the Senator has, that this will all come out. I hope the Senator is right. My concern is—based upon what Senator DASCHLE a few minutes ago, when he said they have put in the landfill, the graveyard, campaign finance reform—money can sure confuse a lot of things. When they are spending millions and millions of dollars on these false and misleading ads, I hope we can right the ship. We need to speak out. I again tell the Senator from California how much respect I have for her for standing up, always, for what she thinks is right.

Mrs. BOXER. We will fight for the truth.

Mr. REED. Will the Senator yield?

Mr. REID. I am happy to yield to the Senator from Rhode Island.

Mr. REED. I wonder if the Senator from Nevada shares my same frustration that the Republicans are distorting the record of Social Security and their efforts to protect it. Like you, I lived through the days of the Republican revolution back in 1995, when they literally were talking about dismantling the Social Security system. Their current track seems to be entirely bogus. But at the same time they are distorting Social Security, they are also turning their backs on the need in our country for some important legislation.

Many of them have been mentioned, but there is one, I think, that warrants particular emphasis. That is hate crimes legislation. After the tragic death of Matthew Shepard in Wyoming, of James Byrd in Texas, the tragedy at Columbine, and arsons at synagogues in Sacramento, it is high time we took a very simple step to provide the full ambit of our civil rights protection for those crimes that are hate oriented, that have been based upon gender or disability or sexual orientation. Yet that, too, is in, as our leader said, the landfill of legislation that has become this Congress to date.

I wonder if the Senator shares my frustration about that?

Mr. REID. Mr. President, the Senator from Rhode Island has mentioned three of the most dramatic and most publicized incidents, but they are happening every day in America, tragic events where someone is being hurt, maimed, killed, because they are a Jew, because their skin is a different color—it may be black; it may be brown. The fact is, somebody may have a different lifestyle with which someone doesn't agree. People every day are being hurt in America.

There may be people who disagree with what we want to do with this hate crimes legislation. But in the light of the Senate, couldn't we have a debate on it? I know the Senator from Rhode Island would agree on a very short time limit. I think we could do all we have to do in 2 or 3 hours, debate this issue and have an up-or-down vote on it. Doesn't the Senator think the American people deserve a debate and a vote on this issue?

Mr. REED. I do, indeed, agree with the Senator. What also strikes me as particularly ironic is, when one of these incidents occurs, across the spectrum of political thought, across the spectrum of this body, there is unanimous condemnation. There is a lot of moralizing, a lot of talk about isn't this horrible. Yet we have it within our power, as the Senator suggests, to bring this legislation to the floor, to have a debate, to constructively engage, to compromise, not on principles but on details, so we can fulfill our legislative responsibilities.

Yet what frustrates me, and I believe also the Senator from Nevada, is the fact that none of this is taking place, that all of this is being shoved off to the sideline so that we are not able to do our jobs. And while we are being frustrated, I should say that, as the Senator pointed out so accurately, these hate crimes go on day in and day out. Some are very publicized, some are not getting attention. It is frustrating and it is wrong. All we are asking for a very simple remedy. Let's make the protections of the hate crimes bill within the ambit of our civil rights laws. Let us be able to give our enforcement authorities the power to deal with crimes that are based upon disability, gender, or sexual orientation. If we do that, then I think we will advance the cause of justice in this society.

(Mr. GORTON assumed the chair.)

Mr. REID. Mr. President, we are talking statistics and we are talking about names of people whom we don't know, such as Matthew Byrd, the young man in Wyoming. But the fact is, every day in America, someone's husband, son, daughter, or wife is being hurt—a real person—and we in the Senate and this Congress have the power to make their lives a little better, to make sure that an example is set when somebody commits a despicable act, and that it will become a crime that should be—in the greatest country in the world, you should not be able to oppress people because of race, color, creed, religion, or their lifestyle. Does the Senator agree?

Mr. REED. Absolutely. One thing that resonates throughout this entire dialog this afternoon is the fact that our inaction costs individual Americans; it costs them better health care, it costs them better education, it costs them the right to have a Federal judiciary that is fully staffed by competent and committed judges, and it costs many literally their lives because our indifference to hate crimes can do nothing to stop them. In fact, one could suggest they create an environment that does not discourage them and therefore might encourage them. But, in any case, our inaction means that Americans are bearing the costs, and these costs can be avoided simply by bringing to the floor legislation and by moving with respect to this legislation in a prompt and purposeful way. I thank the Senator.

Mr. REID. Mr. President, I am about to yield the floor because I know the Senator from South Carolina has had time to have a breather and the Senator is now rejuvenated and ready to go on for a while longer.

Mr. HOLLINGS. I think now is the time that a record should be made that this isn't a question of consuming time in the sense the majority leader wants to move in an expeditious fashion to the legislation. He doesn't want to hear it, and he doesn't want anybody else to discuss these items. Let's look at the facts.

This bill was called on Friday and we had a motion to proceed since everybody was leaving town. I wanted to discuss it and wanted to have someone to talk to. I objected to the motion to proceed. I guess it was a week ago Thursday night when they discussed and voted on other matters on Friday. It was set again for Monday's discussion, but then we lost our wonderful colleague, Senator Chafee. In respect to him, we didn't debate anything. Instead we all expressed our sympathy and deep sense of individual loss of such a wonderful colleague, who was so considerate and so moderate in the sense of listening to both sides, and willing to discuss issues. On Tuesday, we made opening statements again—Senator MOYNIHAN and Senator ROTH and myself. I had to leave, but it was thoroughly discussed all day Tuesday. On Wednesday, I was prepared, having returned early in the morning. I had to testify before a council meeting back in my own hometown on Tuesday evening. But I was back here early.

Mr. REID. That was because your house burned down.

Mr. HOLLINGS. That is exactly right. What happens is, on Wednesday morning, we didn't have the side agreements about NAFTA. We were being told this was good because of NAFTA and that NAFTA worked—at least NAFTA had side agreements on environment, labor, reciprocity, and otherwise. Even though I was gone, my staff worked on the legislation.

When I took the floor on Wednesday morning, I was not recognized to have the floor. I said I just wanted to discuss these amendments but the Senate was conducting a quorum call. The leadership waited for an hour and a half for the leader to come and did not allow any discussion. I had gotten up twice and they would not even give me consent to talk about the amendments, which is really what I had to mind.

Then the leader comes in and he so-called filled up the tree, but really he put it on the fast track. Namely, I could not, or you could not, or anybody on this side of the aisle could not offer an amendment. Now, on the other side of the aisle, the Senator from Illinois can get his amendment in at the committee hearing. He can get his amendment in when the leader puts down the managers' amendment. He can get that taken care of there. Or you can do as Senator ASHCROFT of Missouri did. He got the leader to call down the last amendment, come to the floor and put up his agricultural amendment and, in the same breath, say the amendment of the Senator from Minnesota is irrelevant. That is how gauche, arrogant, and unsenatorial this thing is. I never heard of such a thing. They just lock you out and say, as has been pointed out, we filled up the tree, and only Members on that side of the aisle can enjoy the fruits of the tree.

Here we are. So don't have the majority leader come back and have the audacity to say these are important matters; you all want to filibuster. He is the one. I told him, up or down, I would take five minutes to a side on amendments and we will have a roll call. He doesn't want to have this subject up.

We ought to have Members on that side have at least the courage to get up and say, wait a minute, these are important subjects. I would think somebody on the other side of the aisle would like to talk about the minimum wage. They say 83 percent of the people of America favor it. We know what the situation is. Yet they won't even broach the subject. They don't want the subject to come up. All we are hearing when the leader comes is this is a tough job and these are the things we have to do, and I would be glad to take two or three amendments. I said, wait a minute. I would be glad to offer two amendments right now, with five minutes to a side, and have a vote, or have 20 minutes to a half hour of discussion and then vote, and we will be through with it.

Instead of doing that, it is a closeout of discussing important subjects for the American people. From Friday of last week until tonight, Thursday night, the majority was absolutely opposed to you getting the floor whatsoever to discuss it. All of these subjects—Social Security, education measures, the Patients' Bill of Rights, health matters—the majority said was irrevelant. We are going to try and complete our spending bills and try our dead level best to do it without using Social Security. This comes at the very same time that even their own Congressional Budget Office says Congress has already spent $18 billion of Social Security monies.

Mr. REID. Let me say this to the Senator from South Carolina before I give up the floor. We have talked today about a couple of very important items, separate and apart from this underlying legislation, to show what we have been unable to accomplish because they have put stuff in the graveyard, the dump yard. The Senator from South Carolina has spoken out more vividly and clearly than anybody else in this body about the need for campaign finance reform, and I have supported the Senator from South Carolina with the constitutional amendment. That is the only way I think we can solve the problem once and for all. Does the Senator agree?

Mr. HOLLINGS. Yes, sir. I have tried my best. I would like to bring it up. I am a realist. Let's bring up Shays-Meehan, which passed by a strong bipartisan vote over on the House side. You would think it could be voted upon, but it has not even been further discussed. We could have 30 seconds to a side and vote. They won't let you vote.

Mr. REID. I also say to my friend, we have had a lot of talk today about Social Security. I want the RECORD to be spread with the fact that the Senator from South Carolina has been one of the leaders who has been there every step of the way on making sure that we do not use Social Security surpluses to balance the budget.

The Senator from South Carolina and I attended meetings at the Sheraton Hotel when there were just a few of us. The Senator will remember that we were fighting this onslaught to have a constitutional amendment to balance the budget. The Senator recalls the grief and the editorials written about us because we said it is wrong to use Social Security surpluses.

Does the Senator remember that?

Mr. HOLLINGS. I remember it very vividly. The truth is that I finally said: Let's cut out the charade. Let's go to Social Security itself. So, I asked the Administrator of Social Security: You folks write the bill so that rather than using Social Security monies for IOUs and the debt, we put it up in a lockbox. I want to make sure it is a truly, honest-to-goodness lockbox.

So he wrote the measure, and I introduced it back in January. It went to the Budget Committee, on which I serve. I asked for a hearing but couldn't get one. They do not want to hear about a true lockbox.

Mr. REID. The Senator from South Carolina could be the ranking member, and in the majority he would be chairman of that committee.

Mr. HOLLINGS. Yes. I was the chairman under President Carter.

Mr. REID. It is not as if the Senator from South Carolina is a junior member of the Budget Committee. He is a senior member of the Democratic Party, and he can't even have a hearing on the bill in the Budget Committee.

Mr. HOLLINGS. I worked on the bill with Senator Muskie; we wrote the law. I have been on the Budget Committee ever since it was created. I think Senator DOMENICI and I are the only two Members who have been on the committee since its inception.

Mr. REID. Finally, I say to my friend from South Carolina that the debate here is not over. The Senator from South Carolina is not the reason this bill isn't going forward. The reason this bill is not going forward is that they will not allow the Senator from South Carolina to offer an amendment. I don't know, but I assume the Senator might want to offer an amendment on minimum wage, or he might want to offer the Shays-Meehan bill. He would agree to 5 minutes to each side to speak on each one of those. We have had 7 days. If we had those with 20 minutes out of 6 days to speak, that isn't much time, is it?

Mr. HOLLINGS. Not at all. That is what we ought to emphasize. It isn't a matter of time and holding the process up or any of those kind of things. It is that these important subjects will not be touched upon politically because all that is being done is geared toward the next election, the polls, and everything else of that kind. The majority doesn't want to make unpopular votes. So you are protected with this arrogant kind

of thing of filling up the tree, instituting fast track, and blocking amendments except those checked through the Majority Leader's office. And I hope this is publicized. I hope they have a conscience and will quit this nonsense so we can save time, discuss the subjects, vote up or down, and move on like an orderly body.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. FITZGERALD. Mr. President, I would like to take a moment or two to respond to some of the charges that have been leveled on the floor.

After listening to the colloquy that has gone on for some time, the only thing I think is accurate out of it is that I would agree that my friend from South Carolina has fought for years to ban Congress from plundering the Social Security trust fund. He has been a leader in that fight. But the one thing I would point out is that the whole other side of the aisle has been voting time and time again this year against doing just that—locking up the Social Security trust fund so it can't be spent on other programs.

Ever since the Social Security program was created, all the money that has been poured into it that is over and above that necessary to pay current Social Security benefits has been taken out and spent on other programs. That is not right. I and my friend from South Carolina agree with that.

I know Senator HOLLINGS, as he has said before—if somebody in the private sector were to reach into an employee's pension fund and take that money out and spend it for some other purpose than the employee's pension, they would go to jail under laws that we in Congress have passed.

My understanding is as well that a few years back Congress made it illegal for anybody in State or local governments to raid one of their pension funds.

It is important that Congress move forward now to once and for all ban the plundering of the Social Security trust fund so we are setting aside money and are in a better financial position come the year 2015 to pay the Social Security benefits of the baby boomers as they retire.

I have to say that if, indeed, my friends on the other side of the aisle are in favor of banning Congress and the Government in Washington from spending Social Security trust funds on other programs, why has it been that they have voted against cloture on our Social Security lockbox proposal time and time again this year?

It is for that reason I disagree with my friend from California, who said she thought the criticism was unfair in some of those television ads she was talking about. I don't think it is unfair. How can you vote against a Social Security lockbox but then say you really want to protect Social Security? I think it is a very fair point that Republicans have been making. It is a fair criticism of the other side of the aisle.

Furthermore, I point out that the other side of the aisle has proposed one new spending bill after the other, and we have no surplus other than the Social Security trust fund. If we want to have more money for spending, where are we going to get that money? The only place to take it, unless you are proposing a tax increase, is to take it out of the Social Security trust fund.

Isn't it intellectually dishonest to stand here and say we support protecting Social Security but at the same time get up and propose a whole bunch of new spending bills that there is absolutely no way to pay for without either a tax increase or another raid on Social Security? To my friends on the other side of the aisle, I have to say I think the criticism has been fair.

The Senator from South Carolina has said, as my friends from California and Nevada have said, that Republicans have put some of your proposals in what you call the ''legislative graveyard.'' But don't forget those times this summer and before this summer when, time and time again, my Democratic friends put the Social Security lockbox program in the graveyard, from which it still has not emerged. It has only been with repeated pressure that this side of the aisle, on the administration and on the appropriators, has largely been able to set aside the money that is in surplus in Social Security so it will not be spent on other programs.

I am hopeful that someday I can work with Senator HOLLINGS to get the strongest possible protection for those Social Security trust funds. Right now, when we are talking about a lockbox, we are really just talking about using that money to pay down the Government debt—the debt that is now in the hands of people who own Government bonds. We are really still not at the point where we can talk about creating a real trust fund that has real money in it that is available to pay benefits. I think someday we need to make that trust fund a real trust fund.

But the problem with that is, in order to cross that line, we have to have the great national debate as to where we are going to invest that money because if we are going to make the Social Security trust fund a real fund—I favor doing that—we are going to have to cross a threshold on this issue of what we want that real money to be invested in.

Until we have had that debate and reached consensus on that issue, it is appropriate that we take that $3.5 trillion in debt we now owe to people who own Government bonds in this country and all around the world and use the Social Security excess to pay down that debt. That is absolutely the best use of the money. It is far superior to taking it and frittering it away on other programs and leaving our external debt at such high levels.

I, again, compliment my friend from South Carolina. He has been the one person I have found in this Senate who agrees with me on this issue that it is wrong for Washington to be telling the American people we have a budget surplus when, in fact, the national debt is still going up. It will go up almost $100 billion.

The biggest adjustment I have had coming to Washington, as a first-year freshman coming from a private sector background in banking, is getting used to the Washington math. When I looked at the first budget proposal that said we will have trillions of dollars' worth of surpluses between now and 2015, and I looked at the back of the budget and it had a schedule of the national debt which is going up every year, I asked, how can the national debt be rising if we are running surpluses? Obviously, that doesn't make any sense. That is an accounting trick. If anybody in the private sector used that kind of accounting, they would be in jail. They would have ankle bracelets on. That is a disgrace. It is misleading.

I thought the President's address, when he told the country we were going to pay off the national debt by 2015, was very reckless. It was reckless of him to so mislead people. He was talking about one of only two components of our national debt. There are two components of the national debt: debt we owe to people who own government bonds and debt we owe to pension and trust funds, such as the Social Security trust fund and the Federal employees pension fund.

We have a President who has a well-deserved reputation for choosing his words carefully. I looked at his statement and couldn't find anything he said that was inaccurate. He said we were going to pay down the debt owed to the public by 2015. What he did not tell the American people, and what Congress has not told the American people, is that the other portion of the national debt, that portion owed to government pension and trust funds, is going to quadruple between now and 2015.

Senator HOLLINGS has used the analogy of a family who has a Visa and a MasterCard. In our own families, we would not go home and uncork the champagne when paying down the Visa by putting more debt on the MasterCard. Such dubious refinancing is no cause for celebration. Yet all over Washington they are uncorking the champagne because they are paying down one portion of the national debt; they are not telling anybody the other portion is continuing to skyrocket.

I yield for a question.

Mr. REID. The Senator talked about the lockbox bill before the Senate. Does the Senator agree it would be appropriate that the Democrats, the minority, should be able to offer one amendment on your lockbox proposal?

Mr. FITZGERALD. I have no problem with offering an amendment. I am happy to vote on it.

Mr. REID. I say to my friend from Illinois, I appreciate his candor. I appreciate the Senator indicating he doesn't

think there is anything wrong with it. Either do we. That is what this is about.

The majority, the Republicans, have a lockbox proposal; and we do, too. What we think should happen is the Republicans offer their proposal, we offer ours, we have a debate. That is what this body is all about.

I have followed the short career in the Senate of the Senator from Illinois. I have acknowledged and appreciated some tough votes the Senator has cast against the majority in opposition to most of the people on the Senator's side of the aisle. I think that is good.

The Social Security debate is one where we should be honest with one another. There are ads running around America sponsored by the Republican Congressional Campaign Committee and the RNC, Republican National Committee, that say with this Congress, this year, the Democrats are spending Social Security money.

We have done our best to make the point that is simply not true, and I believe there are people of good will, of which I think the Senator from Illinois has the ability to be one of those, to speak out against those ads. They add nothing to the political process. They only take away from it.

That is the point we have been talking about today. The ads are disingenuous. They are wrong.

Mr. FITZGERALD. I want to follow up on that. I said earlier I think the ads are fair in light of the fact that Democrats have voted against the lockbox several times this year.

Certainly the Senator would agree the Senator's party has run ads. I was the recipient of $3 million worth of soft money ads that accused me of wanting to do everything except take away Christmas from the people in this country.

What has mainly come out in this colloquy on your side of the aisle is that the Senator has stated a good case why it is better to be in the majority than in the minority.

Mr. REID. My friend from Illinois learns quickly. The fact is, that is not how this body has run in the past. For over 200 years, this body has been able to survive in comity. We recognize the minority has rights. There was a time not long ago when the Democrats had a veto-proof majority in the body but the Republicans were not treated badly.

I say to my friend from Illinois, Democrats have voted against no lockbox provision. We have voted to sustain our rights to be able to offer an amendment to the Senator's lockbox proposal so there could be a debate. If, in fact, the Senator thinks those ads are running because we voted against lockbox, I respectfully submit the Senator needs to study the issue more.

Mr. FITZGERALD. I say to my friend from Nevada, I wonder if there are any Senate rules that have changed from the time the Democrats were in the majority and now when the Republicans are in the majority that the Senator could identify that he thinks have unfairly cut off the rights of the minority. Have any rules changed?

Mr. REID. That is the whole point. The rules have not changed.

The fact is, however, the majority is not treating this body in the senatorial tradition. The rules have held that we in the Senate have the right to offer amendments. This body is being treated like a House of Representatives where a bill comes upon the floor, there is a rule offered, and that is it. The so-called tree is filled up, we can offer no amendments, and we are locked out of offering amendments.

That is what the Senator from South Carolina has been saying. All we want is to offer amendments. Shouldn't the Senate of the United States be able to have a debate on minimum wage?

Mr. FITZGERALD. I think we have already, to some extent. We have had one or two votes that I can recall earlier this year. But the question is, How many times will Members keep bringing up the same issues?

Mr. REID. I have the greatest respect for my friend's intellect. We have had just one vote this year on minimum wage. We didn't have one last year. Or the year before.

We want to have a debate. We want to have an amendment offered where we raise minimum wage. We have not had the opportunity to do that. If the majority doesn't agree, fine. The Senator from South Carolina said he would agree to a 10-minute time limit on minimum wage. I am not sure I can agree to 10 minutes, but I certainly agree to 2 hours.

I say to my friend from Illinois, picking that one issue, doesn't the Senator think it would be appropriate this body debate minimum wage?

Mr. FITZGERALD. Absolutely, and I am sure we will at some point. I do know we had some votes, whether they were procedural or actually substantive, on minimum wage because I talked to Senator KENNEDY about it. He was very pleased with my vote earlier this year on that. We have had some votes that touched on that area.

I was not in the Senate before this year, so I can't comment on how it was run when the other side was in the majority. My impressions from speaking to some of my senior colleagues on this side of the aisle is that they felt it was always very difficult for them to be in the minority. I think they probably often felt the frustrations that the Senator is feeling now.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, for the last several hours on the floor of the Senate, we have discussed basically the business of the Senate over the last year. A lot of us focused on Social Security. It is a curious thing that this program, which once was so controversial, has now become so universally lauded and acceptable that both political parties are determined to be portrayed as the guardians of Social Security.

Coming from the Democratic side of the aisle, the party of Franklin Roosevelt, I think our party has good claim to the authorship of the original program of Social Security and the fact it has been sustained, now, for some 62 years primarily because of Democratic support.

Having said that, though, I will concede over the years what started off as Republican opposition to Social Security has mellowed to some extent, and they now embrace it where once they called it socialism and big government and the New Deal and Franklin Roosevelt run amok. They now have come to a different conclusion since millions of Americans and their families rely on Social Security to live independent and decent lives after their retirement. The debate now seems to focus on, what are we going to do with the excess money collected—for instance, in payroll taxes for Social Security? Should the Government be allowed to borrow that money and the money then be used for some other purpose and paid back to Social Security with interest? Or should the money be held sacred and apart, untouchable? That seems to be where the debate is.

The television ads, which have been the source of a lot of debate on the floor, relate to an effort by the Republican Party, soon to be answered by the Democrats, to blame us for somehow spending the Social Security trust fund.

It is an interesting claim to make for several reasons. First, we are the minority party. We do not pass bills here; the Republicans pass the spending bills. So to blame us for a spending bill which reaches into the Social Security trust fund just defies arithmetic and common sense. If there has been a bill passed, a spending bill, it has been initiated by the Republican leadership. It has come forward and been sent to the President primarily with Republican votes. For them to suggest one of these bills went over the line and reached into the Social Security trust fund and blame the Democrats for it is really a stretch.

But I will tell you what we can point to, and it is not in the area of spending bills. It was a project by the Republican Party just a few months ago initiating an idea of a massive tax cut. The party, the Republican Party, which had bemoaned deficits for years, to the point of calling for a constitutional amendment to balance the budget, now, when they heard of the possibility of a surplus at the Federal level, answered by suggesting we should have a tax cut of some $792 billion given primarily, if not exclusively, to the wealthiest people in America. They thought this was going to be a big winner. It was an echo of Senator Robert Dole's Presidential campaign where, when he could not get traction against President Clinton, he came up with the Dole tax cut.

It did not work for Senator Dole then. It certainly did not work for the Republican Party a few months ago. They took this idea back to the States, and people universally said: What are you talking about? Why would you, after years and years of deficits, be giving a $792 billion tax cut primarily to wealthy people? If you are going to do anything, take the money and pay down our national debt which costs us $1 billion a day in interest. If we have a surplus, make sure Social Security is sound and solid for decades to come. Put the money into Medicare, make certain it is there for generations to come, for our parents and grandparents who will need it.

In fact, those who analyzed the Republican tax cut said, incidentally, of the $792 billion, at least $83 billion of that has to come out of the Social Security trust fund.

So the Republican Party that is pointing its finger at Democrats and saying we are raiding the Social Security trust fund had a tax cut package primarily for the wealthy which dipped its hand into the Social Security trust fund for $83 billion. That is a fact.

Now let's take a look at the spending bills, the Republican spending bills, keeping in mind the Republicans control both the House and Senate and Appropriations Committees and have now broken from the tradition of Congress which used to call for bipartisan meetings of the Appropriations Committees. They are very partisan now. I am a member of the Appropriations Committee here in the Senate, and I was in the House. For years, we worked on a bipartisan basis in an effort to try to pass bills. I am sad to say, now, many times we are not even called for meetings. The Republicans author these bills and put them together, bring them to the floor, and basically the Democrats are not part of that process.

What do we make of the claim by the Republicans that the Democrats are reaching into the Social Security trust fund? The most recent thing we have to point to is a letter from the Congressional Budget Office. This is one of the two offices we turn to for answers to questions such as: If we initiate a certain program, how much will it cost us? How much will this program cost us each month? Will it add to the deficit or to the surplus? All of the basic questions that need to be answered to be responsible in budgeting.

The Congressional Budget Office has today sent a letter—yesterday, I believe—to Congressman John Spratt, the ranking Democrat on the House Budget Committee. Congressman Spratt, a friend of mine and former colleague, asked the Congressional Budget Office whether or not the spending bills already passed by the Republicans and sent to the President, reached into the Social Security trust fund. The Congressional Budget Office, which enjoys a reputation primarily for being nonpartisan, replied that the Republicans have already spent $17 billion of the Social Security trust fund.

They then asked the Congressional Budget Office, in the same letter, What about the proposed 1-percent across-the-board reductions in spending which the Republicans now propose as a way to solve all our problems and go home? It was the conclusion of the Congressional Budget Office that, if the Republicans really wanted to keep their hands off Social Security and not reach in the trust fund, certainly 1 percent across-the-board was not going to do it; they had to find some $17 billion to be made up that they have already reached into the trust fund for. They said it would take another 4.8-percent cut across the board for that to happen, meaning 5.8 percent would have to be cut from all budgets of the Federal Government to avoid touching the Social Security trust fund, just with appropriations bills already enacted by the Republican majority in the House and the Senate—5.8 percent.

Then they went on to say—and this is important considering the realities of politics in Washington—if you take off the table the defense budget, saying our national security cannot stand the 5.8-percent cut, military construction—part of the same argument, and veterans programs, which both parties hold dear, everything else will have to be cut 11.8 percent.

Here we are, deep into the next fiscal year. We do not have our appropriations in order. In order to balance the books and not touch Social Security, the Republicans would have to cut almost 12 percent across the board in budgets for things such as education; Head Start; Women, Infants and Children; Meals on Wheels—things on which senior citizens rely.

What a curious state of affairs that only a few weeks ago Republicans told us we were so awash in money, we could give out a $792 billion tax cut to the wealthiest people in this country and now have come back to tell us we are in such dire straits that they, frankly, have to be cutting education by 10 or 11 percent in order to balance the books. That, to me, shows the basic emptiness of this argument that has been made against the Democrats and so many others.

The sad reality is that we come to the end of the session and find ourselves bereft of accomplishment. Having been sent to Washington to respond to the needs of America's families, we have dropped the ball. I have said repeatedly, if you held a gun to the head of any Senator in this body and said I am going to shoot you unless you tell me what you have done to help average American families lead a better life and have more opportunity, I would have to say: Fire away. I can't point to a thing.

What did we do on minimum wage? Nothing, absolutely nothing; turning our backs on the millions of people who go to work every day in this country stuck at a minimum wage of $5.15 an hour. The Republicans will not even allow us to debate the issue. The greedy big-business interests that will not give working families a decent living wage have prevailed over those who get up and go to work every single morning—primarily women, many minorities—working at minimum wage, showing they believe in the work ethic, and hoping this body and the House of Representatives will be sensitive to their need for more resources for their families.

The Patients' Bill of Rights: How many times have I been across Illinois and met families, sat down with them, and doctors, and nurses? They have told me horror story after horror story of trying to provide quality medical care for people in need only to be turned down by insurance companies; Doctors on telephones debating with insurance company clerks about surgeries and hospital admissions and different medications that the doctor thinks are necessary, and losing the debate every single time.

We want to stop these faceless bureaucrats in the insurance companies making life-or-death decisions without any medical training. We want families across this country to be able to sit down across the table from a doctor when someone is seriously ill and be treated in an honest, competent, professional way.

We lost that fight on the floor of the Senate. No, let me take that back. We did not lose that fight; America's families lost that fight here. Do you know to whom we lost it? Another special interest group. The health insurance lobby prevailed big time in this bill, and America's families lost big time, and that is another failure of this year we have spent here on Capitol hill.

Campaign finance reform: This is truly a bipartisan issue. Senator JOHN MCCAIN, a Republican candidate for President from the State of Arizona, and Senator RUSS FEINGOLD, who sits behind me, a Democrat from the State of Wisconsin, came forward with a bipartisan way to clean up this mess of campaign financing that has everybody across America so cynical about our process.

The President supports it. In fact, a majority of Senators support it. Fifty-five voted in favor of it. That is not good enough for the Senate; we need 60 votes. We could not dislodge some 45 Republicans who are bound and determined to keep this miserable system in place. This is another failure of this Congress.

Sensible gun control: How many times, walking into the Cloakroom right behind the Senate floor, have I been startled to hear a news flash on CNN that in another high school in America, there is more violence, kids being shot, teachers being shot, the grief of parents, and the visits by the President and the Vice President, news magazines and shows on television just focusing for days and weeks on violence in schools.

People across Illinois and across America say: Senator, what are you

doing to make this a safer place to live, to protect our kids?

We work up all kinds of speeches in this Chamber, but what do we do? We have one bill, a sensible gun control bill, which says if you want to buy a gun at a gun show, we have a right to ask whether or not you have a criminal record or a history of violent mental illness. That bill passed the Senate with the vote of Vice President GORE breaking a tie. It went over to the House and disappeared. Sensible gun control. Nothing is going to happen this year. The Republican majority in the House and the Senate do not want to act on that issue.

I pray to God there is never another school tragedy in America, but if there is, each of us will be held accountable as to whether we did everything we could to keep guns out of the hands of kids and those who would misuse them, criminals and those with serious background problems.

This Senate passed a bill, barely; the House Republicans killed it. The National Rifle Association, another special interest group, won and America's families and schoolkids lost again.

100,000 teachers: This is a program the President has proposed for one simple reason. He believes, and I agree with him as a parent who has raised three kids, that if you can have fewer kids in a classroom, you have a better chance of paying attention to their needs.

I went to Wheaton High School and met with a teacher who had 15 kids in her class. She was part of the President's program. She said: Thank you; I can help the kids who are falling behind and the gifted kids; it really works better when I have a smaller class size.

What parent would not agree? I remember how tranquil life was with one child in our house and how hectic it became when the second and third arrived. Imagine a classroom of 20, 30 kids. The President said: Reduce the size of that class and I bet you have more kids who can read, learn basic math, and have a better chance for their education.

The Republicans want to kill it. They do not agree. Last year, they voted for it; this year, they want to kill it. This is a partisan battle. The losers are the families across America who expect us to do something in Washington to make education better for our kids and give them a chance.

Cops on the Beat Program: I see my friend, Senator LEAHY, from the Judiciary Committee. I am proud to serve with him. He was one of the leaders on the President's program to send 100,000 police to local communities and reduce crime.

Do my colleagues know what happened when we sent policemen out to the cities of Chicago, and Cairo, IL, and across America? The crime rate came down. The people who wanted to commit a crime looked around and saw there were a few more cops and squad cars and decided not to do it. Thank goodness. It meant fewer victims and less crime perpetrated on the people in this country.

The Republicans fought us tooth and nail. They do not want to continue this program despite its proven success. They have put partisanship ahead of reality. The reality is we all want to be safe in our neighborhoods. We want our kids safe in school. The President has a program that works, and they want to kill it, stop the 100,000 COPS Program. That is so shortsighted.

The Medicare prescription drug program: Here is one where seniors across America tell us—Senator DODD from Connecticut, Senator LEAHY, and others—that this is a very real concern, paying that bill every single month for these prescription drugs that Medicare does not cover. The President has a plan to move us forward. The Republicans say: Oh, here comes a brand new program.

They have a self-financing mechanism, as they should, to make certain we do not cause any more problems to the fiscal picture in the Medicare program. The fact that we cannot move forward on this Presidential suggestion of a Medicare prescription drug program is going to be a serious problem for seniors across America.

So we come to the end of this session with an empty basket, with nothing to show to families across America. Oh, we have drawn our paychecks, we punched our time cards for our pensions, and we are headed home looking forward to the holidays, and we have nothing to show for it.

My basic question to the Republican leadership is, Why are you here? Why do you want to be called leaders if you do not want to lead? Why do you ask to serve in the Senate, which was formerly known as the greatest deliberative body in the world, if you do not even want to deliberate these questions? Why are you afraid to debate these questions? If your position is so sound and solid, for goodness' sake, stand up and defend it. Let me argue my best point of view, you do the same, and let's have a rollcall vote up or down, yes or no. Let it be printed in the CONGRESSIONAL RECORD to be seen by the United States and the world.

That is why we are here. That is why we ran for these offices—not for a title but to do something for America's families. We have not done it this year. We have not done anything substantive to help these families lead a better life.

We have lost opportunities, and I hope we do not continue to lose opportunities. We have given in to special interests time and time again. We have forgotten the interest of America's families.

I sincerely hope Senator DASCHLE, who took this floor earlier, prevails; that he can convince Senator LOTT, the Republican leader, to finally let Senators roll up their sleeves and get down to work. Goodness' sake, in the last 2 weeks, let's do something substantial. Let's have courage to vote on the issues. To stop debate and put a gag rule on Senators so we cannot offer amendments on all the issues I mentioned, frankly, is a travesty. It is a travesty not only on those who serve here, but on the history of this great institution of which I am proud to be a part. I sincerely hope Senator DASCHLE can prevail, and we can have the debate which the American families deserve.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business.

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

RETIREMENT OF LONG-TIME SENATE EMPLOYEE, KATHY KEUP

Mr. DODD. Mr. President, on Friday, October 29—tomorrow—the Senate will say a fond farewell to one of its longest serving employees, someone who has been with me almost 19 years, Kathy Keup.

Kathy Keup began her Senate service almost 34 years ago. She is one of the longest serving employees in the Senate. She began her service November 1, 1965. On that date, Kathy Keup joined the staff of her home State Senator, Ed Muskie of Maine. After nearly 6 years of service with Senator Muskie, Kathy Keup served on the staffs of Senator Warren Magnuson of Washington and Senator John Culver of Iowa. She also served for several years in the 1970s on the Democratic Senatorial Campaign Committee.

Some of our colleagues who have been here a few years will recall, back in those days, it was not uncommon for Senate staff, both Republican and Democratic, to serve for temporary stints on their caucus' campaign committees. As a historical note, the campaign offices were actually located in this building. That practice is long since over, but 25, 30 years ago, that was not an uncommon practice.

As I mentioned at the outset, for the past 18 years and 9 months, it has been my very good fortune to have Kathy Keup as a member of my staff. In fact, she joined my office just a few days after I was sworn in as a new Member of this very body. I can say without any hesitation that each and every day of her time in my office has been marked by a consistent, thorough, and outstanding commitment on her part to serving not only me and the people I represent in Connecticut, but the public at large across this country.

As a fellow New Englander, perhaps the highest compliment we can bestow on any individual is to say they are a true Yankee, and Kathy is a true Yankee, in all the wonderful meanings of that word. She epitomizes the very best values of our region of the country. She is very diligent and hard-working, and respectful of others, no matter their station in life. She is modest and discreet, a person of few

words. Indeed, in an era and in a city where the dubious quality of self-promotion is rarely in short supply, Kathy Keup serves as a living reminder of the timeless virtue of letting one's work speak for itself.

She also possesses the virtues of loyalty and dedication. The Senators and others for whom she has worked over the years could always take comfort in knowing she would be at her desk each morning at 7 o'clock, as she has been with me for almost 19 years, come rain, shine, snow, or whatever the weather.

She earned the trust of those around her, not by what she said but by what she did, reliably and superbly, day in and day out, for these past 34 years.

Each of us who is privileged to serve as a Member of the Senate knows well the importance of having loyal and talented men and women who work with us in this wonderful institution. These public servants may not have their names on election certificates or in the newspapers, but they are vitally important to the ability of the Senate to function on behalf of the American people. In a very real sense, they make the wheels of this democracy turn every single day. And in so doing, they make real the timeless promise of our representative government.

Kathy Keup has dedicated her working life—her entire working life—to the Senate. By her efforts over more than a third of a century, she has made an invaluable contribution to this institution and to the country as a whole. She epitomizes what a Senate staff person should be. She has rendered truly exemplary service to this individual Senator, to our former colleagues whom I mentioned already, to the Senate, and to our Nation.

Come next Monday morning, I will call the office, I suppose out of habit, at around 7 or 7:15. And that voice will not be there, as it has been for almost 19 years. Kathy will return to a place she calls home—her beloved Maine. I know I speak for all who have worked with her over these past 34 years, in saying thank you for all she has done to make this a better place. And on their behalf, let me say that I wish her in her retirement a life full of new challenges, good health, and many other rewards she so richly deserves for her long and distinguished career in public service.

We thank you, Kathy, for a job well done.

AFRICAN GROWTH AND OPPORTUNITY ACT—Continued

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Delaware.

Mr. ROTH. Mr. President, some of my esteemed colleagues argued this past week that we are losing jobs in manufacturing, particularly in textiles and apparel, because we have set the American standard of living too high through the minimum wage, Social Security, Medicare, workplace safety rules, environmental standards, and social policies such as parental leave. That is the sort of broad assertion we have heard about every trade bill or trade vote that has come to the floor in the past years.

They argue that any trade liberalization will lead to a reduction in our own labor and environmental standards, rather than encouraging an increase in the labor and environmental standards among the beneficiary countries. That attack on this legislation is wrong for three reasons.

First, there is no evidence that trade has weakened our labor and environmental standards—quite the contrary. During the period from 1970 to the present day, while trade as a percentage of American GDP more than doubled from 11 to 25 percent, our labor and environmental laws were strengthened. What we have witnessed has been the exact opposite of what the trade critics would have predicted. Our labor laws continue to provide strong protection to workers, and the reach of our workplace safety laws has continued to expand.

The last 30 years witnessed the passage of landmark environmental legislation, enormous set-asides of wilderness areas, and significant improvements in air and water quality. We have seen sufficient progress on endangered species so that the President recently removed the bald eagle from the list of endangered species. Who would have thought of a more potent symbol of the progress we have made in the last 30 years. Have we done enough? No. There is still more we can do to encourage conservation and environmental protection. Based on the last 30 years of evidence, there is no reason to forgo the benefits of trade based on the errant assumption that trade will somehow undermine the basic fabric of our environmental law or encourage a race to the bottom.

What has been true in the United States has also proved true elsewhere. The truth is that economic growth and a rising standard of living is a necessary predicate for higher labor and environmental standards, and trade is essential to both goals. What the most recent studies have shown is that air and water quality improve as per capita income increases. The growth in pollution declines as incomes rise. There should be no doubt, then, that poverty is the enemy of both labor and environmental standards and that both benefit from economic growth to which trade contributes.

Third, there are sound reasons why higher labor and environmental standards will not lead to a race to the bottom, even in a world of expanding trade. Pollution control costs, even in the dirtiest of industries, account for less than 1 or 2 percent of total production costs. In other words, even in the dirtiest of industries, the cost of compliance with our environmental standards is not sufficient to persuade companies to invest in other countries simply to take advantage of lax environmental laws.

Trade critics who argue that trade will devastate the environment tend to overlook that firms generally invest in the developing world's pollution havens to gain market access, not to take advantage of the lower environmental standards. In other words, the companies generally invest because their exports face tariffs averaging between 10 and 30 percent, a cost disadvantage they can only overcome through investing on the other side of that tariff wall.

Given those facts, we would be better off beating down high tariffs in the developing countries in order to allow the export of goods from clean factories in the United States, rather than encouraging trade restraints that lead to investment in pollution havens.

Equally important, our companies tend to take their existing technology and production techniques with them, even when they do invest in pollution havens abroad, in order to get around the high tariff walls. They do not do this out of altruism. They do it because it makes good, cost-effective, economic sense.

Our companies have found ways of producing in the United States that both allow them to comply with our environmental standards and remain globally competitive. We should be encouraging the export of those techniques of manufacturing wherever we can. But what those facts most assuredly do not mean is that trade has somehow led to a race to the bottom. In fact, trade appears to lead to a rising standard of living in environmental as well as economic terms.

My colleagues say we can no longer compete in textiles and apparel because our producers compete with many countries in the world with far lower standards of living. They explicitly or implicitly argue that we must impose trade restraints in order to protect these industries and the associated jobs.

Let me be blunt: There is no protection in protectionism. For every job we save through trade restraints, we lose many more in other sectors of the economy. As we have learned this past summer during the debate over quota legislation, saving one job in the steel industry by imposing trade restraints puts 40 jobs in the consuming and exporting industries at risk. Those who oppose this legislation do not favor the win-win outcome that the Finance Committee bill would create and the textile industry itself supports.

Mr. MOYNIHAN. Will the distinguished chairman yield for a question?

Mr. ROTH. I am happy to yield.

Mr. MOYNIHAN. The Senator spoke of those who oppose this legislation. I believe we voted to move to this legislation by a vote of 90–8?

Mr. ROTH. That is correct.

Mr. MOYNIHAN. I believe this measure came out of the Finance Committee, under the Senator's leadership, unanimous, both parties?

Mr. ROTH. The Senator is correct.

Mr. MOYNIHAN. Would the Senator think I was out of range if I suggested there are 75 votes for this legislation as it is?

Mr. ROTH. I think that is a fair statement.

Mr. MOYNIHAN. Well, then doesn't the Senator think we should find a way around our self-imposed restraints and vote?

Mr. ROTH. I couldn't agree with my colleague more. I wish we could proceed. I think this legislation is critically important. I think we have, as the Senator says, a vast majority on both sides of the aisle. As we have already said on many occasions, it has the strong support of the President.

Mr. MOYNIHAN. Who is meeting this morning with the President of Nigeria who is here to talk about that.

Mr. ROTH. I understand a number of the ambassadors from the countries in Africa that would be impacted with this legislation have been calling and telling people of the importance they attach to it. It would be a major setback, inexcusable for this legislation not to proceed.

Mr. MOYNIHAN. Exactly, sir.

Mr. ROTH. As I said, there is no protection in protectionism. For every job we save through trade restraints, we lose many more in other sectors of the economy.

Those who oppose this legislation do not favor the win-win outcome that the Finance Committee's bill would create and the textile industry itself supports.

Some of my colleagues would seem, instead, to prefer the ''lose-lose-lose'' option of imposing a regressive form of taxation on the poorest in our society, lowering employment in the textile and apparel sector, and lowering employment throughout the economy.

I want to reemphasize what I have been saying. It is not the chairman and it is not the ranking member of the Finance Committee that is telling you that the Senate bill would lead to higher sales and higher employment in the textile industry. No, it is the textile industry itself that is telling us the Senate bill would increase textile shipments by $8.8 billion over 5 years and increase textile-related employment by 121,000 jobs over the same period.

That is a win-win outcome we should support. I urge my colleagues to support the amendment to the legislation.

With that, I yield the floor.

Mr. MOYNIHAN. Mr. President, it goes without saying that I wholly agree with the remarks and statements of our revered chairman. May I say, there is still hope. It is not over yet.

Mr. HOLLINGS. Mr. President, I obtain the floor in order to thank my distinguished colleague from Illinois, Senator FITZGERALD. He is a banker, a financier. He is far more experienced in financial affairs than I, and he is on the other side of the aisle. His arrival now makes it bipartisan and I am very grateful to him. We had a bipartisan move with Senator Heinz and myself in passing section 13.301 of the Budget Act, which says you could not use Social Security—either the Congress or the President—in reporting a budget. That was approved by 98 Senators in a bipartisan fashion.

Yet the budgeters continue to ignore it. So I have been looking, since we lost Senator Heinz on that side of the aisle, for some assistance. We had otherwise the leadership of Senator Armstrong and Senator Boschwitz. We were in the extreme in 1989, for supporting a value-added tax, a 5-percent value-added tax, allocated to reducing the deficit and the national debt so we would not spend Social Security. In fact, we had eight votes in the Senate Budget Committee. We recommended again another VAT. We tried to pass other laws. But with respect to the distinguished Senator's statement that the Democrats have voted against Social Security several times, let me clarify that observation of his to the extent that we, right now, are in that same situation. Here now, the tree is filled up. You have veritably fast track; namely, you have a bill out from the committee with a substitute or leader's amendment or maybe they want to call it the amendment of the committee itself. But whatever they call it, it is the committee bill and you cannot amend it.

When the tree is filled up that way on cloture, it will be difficult to get cloture because no one is allowed to offer amendments. We need someone to understand this and allow us to begin deliberating. Now, that is what we have. If this persists through tomorrow, I am hopeful, but I don't know because I am a minority of a minority of a minority here, that we can move forward. But it could very well occur that we may not get cloture tomorrow morning at 9:30, if that is when they call the vote. They said they didn't think there are any votes tonight, other than a continuing resolution, which we can voice vote. We may, but I doubt if we could get that vote.

So the reason you don't vote cloture is because you want to try to get some amendments considered to discuss these issues. That was the situation each time they brought up that Social Security. I know better than any because I put in my amendment at the very beginning of the year, drawn, if you please, by the Social Security Administrator himself. We introduced it. It was referred under the rules, of course, of the Budget Committee. I have been on that Budget Committee since they started it as a Budget Committee in 1974, some 25 years. So I have been there. I have been chairman of the Budget Committee. I thought I could get a hearing. They don't want to talk about a true lockbox or taking it off budget. They will vote for a sense of the Senate. Then they will vote for the law and then totally ignore the law. And if you can put in my amendment in, as we have it propounded now in the Budget Committee, I can tell you here and now we really will have lockbox, and you won't be able to touch it.

We won't have to debate whether or not we are. Everyone could see and understand it. That situation happened several times, and the majority was going to call it the lockbox. One proposal was made by the majority leader that allowed three amendments. We would bring it up, have three amendments considered with time agreements, and then vote.

When they found out about my one amendment that was for a true lockbox that is in the Budget Committee, which they won't even give you a hearing on, they would not agree. We had to go ahead and vote against cloture. The distinguished Senator from Illinois calls that a vote against Social Security. Not at all. That is a vote, really, for Social Security.

Tomorrow, when a substantial number vote, let's say, assuming against cloture, someone could say they voted against the trade bill. Not at all. They are for the trade bill. The distinguished minority leader has made that clear. The Senator from South Dakota is for this bill, but he is trying to protect the rights of Senators on both sides of the aisle to offer amendments. The Senator from Illinois was mistaken to characterize that as a vote against Social Security several times, saying, ''Why did you vote against it if you are sincere?'' We are sincere all right, to try to preserve Social Security.

I was one of them and I will go immediately now to the observation made by my distinguished ranking member on the Finance Committee about 90 votes to proceed. I was one of those 90. That doesn't mean you can pass the bill without even considering any amendments. When I voted to proceed, I voted to do just that—proceed to debate the amendments, vote upon them, and get to a final enactment thereof. I have several things that we want to bring up. I see other Members present.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have watched with some interest in recent days the Senator from South Carolina holding forth on the floor of the Senate on trade issues. This isn't the first time. He has often come to the floor of the Senate to engage in interesting and robust debates about international trade.

I also noticed that the bill that is before us, the House bill dealing with African trade, the African Growth and Opportunity Act, if you read it, reads like a lot of trade deals we have dealt with. It is kind of a NAFTA for Africa approach with trade adjustment assistance, CBI, and other things added to it.

As I was thinking about all of this, I realized that nothing really changes very much. I guess it has been 4, 5, 6 or

7 years I have been here on the floor of the Senate talking about trade issues to no avail. The debate never changes.

Those who come to the floor proposing a new trade initiative will speak only about their new trade initiative. They will refuse to speak at all, or refuse to address the residue and the problems resulting from the trade bills we have recently passed, NAFTA being one, United States-Canada being another, and GATT being a third. You never hear anybody willing to tackle the problems.

I had a chart with me. It is lost in a pile of charts somewhere. But I wish I could show it. It shows the trade deficits. After several decades of ballooning Federal budget deficits and after getting those deficits under control, now we have another deficit. It is the trade deficit. The annual trade deficit on a chart is just spiking almost straight up. It is a devastating consequence of bad trade policy and a range of other things, but especially bad trade policy. Yes, the collapse of economies, or the difficulties of economies in Asia contribute to it, and there are some other things that contribute to it, but by and large this has been an abiding trade deficit that has been growing for a long period of time, and a chart would show a very significant spike in this deficit.

It is serious. Our current account balance deficit as a result of this trade deficit is going up and up, and it is unsustainable. We can't continue to do this. Yet there is no discussion on the floor by those who bring trade legislation to the floor to say, well, let's talk about what is happening; let's talk about our current experience with our trade practices.

It is not the case that I believe we should put a wall around our country, or we should restrict trade, or we ought to decide to in some way diminish trade. That is not the case at all. I believe, however, that after about 50 years of post-Second World War experience in trade, we ought to understand what is going on. For the first 25 years after the Second World War, our trade policy was exclusively foreign policy. They called it trade policy, but it wasn't trade policy; it was foreign policy. We used trade as a foreign policy instrument with which to help a range of other countries around the world.

That was fine. We could beat any country virtually on any set of circumstances and any competition with one hand tied behind our back. We were bigger, tougher, stronger, and more able to compete. And we could essentially create all kinds of approaches that would be helpful to other countries in foreign policy, call it trade policy, and still win and still prevail.

But the second 25 years after the Second World War, things were different, especially recently. Our trading partners have become shrewd, tough, economic competitors. This is not any longer, and should not be, about foreign policy. It ought to be about trade policy, about what makes sense for our country's interests and how to engage in policies with other countries that are mutually beneficial, yes, to them and also to us.

As I listened to the Senator from South Carolina, I was thinking about something I told the Senate some many years ago. I had a young son who ordered an ant farm from a magazine. He is 12 now. I guess he was probably 5 years old. He saw this advertisement for an ant farm. It was a thing you ordered by mail. It was a container. It would hold sand. They sent you the container and the sand. They put the sand in the container. Then they sent you the ants separately. They said in the order to put the ants in the container. They said you should put that little vial of ants in the refrigerator for a while to slow them down a bit.

So my son got all of this in the mail. He put these ants in the refrigerator and slowed them down a bit. He poured them into his ant farm and then put the top on. For, I don't know, a month or two, we watched these ants in the ant farm. There must have been 100 or 200 ants in this little ant farm. You could watch them every day. They would go from one end of this little partition to the other hauling all of this sand back and forth, and back and forth, and nothing ever changed. I looked at those ants. I thought, I wonder what they are thinking, if they think; they just keep hauling this sand back and forth, and nothing ever changes.

I thought the Senate is similar to that, especially on trade policy. You could put a blindfold on and earmuffs on, and for 7 years nothing would change—at least it hasn't in the 7 years I have been in the Senate. Back and forth, back and forth, never a change.

Does anybody here have a debate about the provisions in NAFTA that lead to the terribly unfair trade in durum wheat? Did anybody ever hear of that? I have never heard of that. I have been down here and talked about it a lot. In fact, most people probably don't know much about durum wheat at all.

Probably many of the expert staffers working on trade have no interest in and no knowledge of durum. They have no knowledge of durum. They certainly have no knowledge of semolina flour. If they eat pasta, they are eating semolina flour and durum wheat. Eighty percent of the durum wheat in America is produced in North Dakota. Anyone working on trade issues in the Senate and eating spaghetti or lasagna might well be eating something that came from a North Dakota durum field.

After this country negotiated a trade agreement with Canada, we had a trade negotiator who reached an agreement with Canada and put it in writing to Members of Congress. He said in writing—Clayton Yeutter, our trade ambassador—there will not be an increase in the flow of grain back and forth across the border as a result of this agreement. That was a guarantee in writing to Members of Congress. It wasn't worth the paper on which it was written. It wasn't worth anything. The fact is, the trade agreement was enacted by Congress after it was negotiated. It was sent here and voted on by Congress and prevailed. I did not support it.

Immediately, we had an avalanche of Canadian durum coming across our border. That durum undercut our farmers' prices, took a couple hundred million dollars out of the pockets of our farmers in a year, and has happened time and time again. This past year was the largest amount of durum, over 20 million bushels in the first 7 months of this year; for 6 months, up over 80 percent.

People say it doesn't matter; that is technical; that is detail. That is fine for someone wearing a suit and tie, but try farming, raising durum, and having the price collapse and see what it does to your income and wonder whether it is important. Wonder whether you understood it and wonder whether you had a responsibility when you talk of trade the next time or talk of the trade problems you caused for the hard-working people in our country. Wonder about the trade problems you caused them by the previous trade agreements.

The same agreement, NAFTA, which has opened the floodgates for the grain coming in that has terribly hurt the family farmers, was advertised to Members, as the Senator from South Carolina knows, as being a trade agreement that would create several hundred thousand new jobs in our country. It didn't turn out quite that way. When NAFTA was negotiated with Canada, Mexico, and the United States, we had a trade surplus with Mexico and a small trade deficit with Canada—not so small but a trade deficit with Canada. So this Congress passes NAFTA, approves NAFTA. The trade surplus with Mexico has now been changed from a surplus to a $16 billion annual deficit just in the first 8 months of this year alone. The trade deficit with Canada has more than doubled.

In a study by the Economic Policy Institute, Rob Scott says NAFTA has resulted in a net loss of over 440,000 jobs in this country.

But the NAFTA supporters advertised that ''a lot of new jobs will be created.'' The fact is, a lot of jobs were destroyed.

''It will be good for our country.'' In fact, big trade balances that were positive were turned to very large trade balances that are negative for our country. Yet the same folks continue to peddle the same merchandise on the floor of Senate.

Just make this trade agreement and somehow it will be better. My response is to say if we are going to talk about trade, I am perfectly willing to listen and be reasonable about all of these things. I want to help Africa. I want to help the Caribbean nations. I want to reach out and do all those things. But,

I want it to be fair. I want our producers to have fair competition. I am willing to retain these, but I refuse to have people come to the Senate and say: Here is our agenda and we demand you respond to that. And we don't intend at all to address the problems we have created in the previous trade agreements. To us, they are irrelevant. We don't intend to address them. They don't matter. They don't exist, and we don't intend to talk about them.

The remedies that normally would have been available to fight the unfair trade have been traded away in previous trade agreements. Those who have lost their jobs and farms find little solace in those who say: ''We have a new agreement now and we don't intend to talk about the old problems.''

It seems to me we ought to talk about some of the problems that exist in previous trade agreements and fix them. The quickest way for President Clinton and, for that matter, the committee chairman and the two managers of this bill, to have a thoughtful discussion about new trade initiatives is to agree to have a thoughtful discussion about the problems created by the old trade policies and begin to fix them. If we are not willing to fix some of the mistakes in previous trade agreements, we are not going to get consensus to move to new issues. I told the President the best way for him to get fast-track authority from the Congress is to show a willingness to fix the problems that have existed in NAFTA, the U.S.-Canada Free Trade Agreement and GATT.

When a ship pulls up at a dock in California loaded with grain that is dumped in this country—clearly illegally—and there is no remedy to address it, our farmers say, how can grain be shipped from a European port to a dock in California and be sold for half the price of the grain that is being sold here, even after transportation is paid? How can that be? The answer is it is unfair trade and there is no remedy to deal with it and you can't stop it.

That is why producers in this country are saying to those who are pushing new trade agreements, help fix some of the trade problems we have. When that is done, we will listen. We will work with you. We will address some of these additional trade issues. It is not acceptable to simply ignore the misery, the suffering, and the difficulty that so many producers in this country experience because of unfair trade policies. It is not fair to ignore them. We must get our priorities straight.

I find it fascinating that some who have been so concerned about deficits during the years I have been in Congress are those who are the least concerned about trade deficits. Japan, $50 or $60 billion a year, every year. Want to buy a T-bone steak in Tokyo? Does anybody in this Chamber know what kind of a tariff will be imposed on a T-bone steak coming from the United States and sold in a Tokyo restaurant? Does anybody know the answer to that? I bet not. After a trade agreement with Tokyo in order to get more U.S. beef into Tokyo, we have a 50-percent tariff on all U.S. beef going into Tokyo which diminishes but snaps back if the quantity increases. Today there is a 40.5-percent tariff on every pound of American beef going into Tokyo.

That is considered a failure in any set of circumstances in any trade negotiation. But our trade negotiators, when they reached that deal, thought they won the Olympics. They were feasting and rejoicing, breaking their arms patting each other on the back. It was a big deal.

It is a failure. A 40.5-percent tariff in foreign markets for our beef is a failure. After all of this posturing and genuflecting and trade talks, the average tariff confronting our products going overseas from the agricultural sector is nearly 50 percent.

We will have some discussions in Seattle in December with our trade negotiators. We have been talking with our trade negotiators and we hope very much for once we could win. Will Rogers once said, the United States of America has never lost a war and never won a conference. He surely must have been talking about our trade negotiators.

We must start standing up for the interests of American producers and American workers not in a way that prohibits competition. We can compete; our farmers can compete. They are willing to do that. But they sure are not willing to compete when the ground rules are not fair.

We end a negotiation with Europe on the issue of grain. Let me go back to grain because I represent a farm State. We didn't even cut European grain export subsidies that are multiples of ours. We say that is fair competition. I don't think so. In my hometown, that is not fair competition. It is the best they could get. The result is a trade agreement that is unfair, a trade agreement that hurts our producers.

Senator ROTH from Delaware is managing this bill. He is a Senator for whom I have a great deal of respect. I have worked with him. I like him. We are friends. He comes to the floor and I am sure he believes strongly in this bill.

Senator MOYNIHAN, legislative giant and great thinker, comes to the floor. He believes strongly in this bill. The Senator from South Carolina believes differently. I believe differently in these issues.

The way to deal with them is to have amendments offered and have votes. One would think an elementary lesson in politics is that politics is a process of making choices. You make choices by voting. But we have this vineyard I described earlier that has been planted by the majority leader with a whole series of vines now. He has decided he is the gatekeeper of the vineyard. These are his vines. He will decide who comes through the gate and picks the fruit. His friends will be able to do that. ''My friends will get in, they will offer their amendments, but I will not allow any other amendment because that's a nuisance.''

That is not the way to legislate. That is not an appropriate way to do business in the Senate. It is an appropriate way to do business in the House. The majority leader served there. I served there. We understand that. In the House, you have a Rules Committee, you have a 1-minute rule, you have a 5-minute rule, and everything happens by the clock. That is the way the House works.

When the framers of the Constitution created this Senate, they created a different body. I guess they cannot jettison the habits—they die hard—the habits of those who served in the House and who now want to control the Senate in the same manner. But the Senator from South Carolina, for example, has every right, in my judgment, to come to this floor, when this bill is before the Senate, to offer amendments and say to the Members of the Senate, both Republicans and Democrats: Here are my ideas. Here is the merit I ascribe to my ideas. Here is how I feel about them. Here is my passion. Let's have a vote about it up or down, yes or no. I am not afraid of that.

What we can do, it seems to me, is have a system in this Senate where we allow full, free, and open debate. Unfortunately, that does not always happen. So we have this legislative tree.

Earlier we had a filibuster on the motion to proceed. But we had cloture the motion to proceed. We will move on. Now we have this legislative tree which is totally unacceptable. At some point, I hope we can do this in a different manner. The best way for this Senate to act is for people with ideas to come together.

This week I worked with Senator BROWNBACK on a bill we introduced dealing with wireless telephones. I have been working with Senator CRAIG on a WTO trade caucus. I have been working with a range of others on the Republican side on legislation dealing with telecommunications. That is the best way to legislate: to find good ideas and work together to get them done. But that is not the way the Senate is working these days. In many ways that is regrettable because the public is not well served by this kind of parliamentary tactic we find ourselves in now.

I yield the floor and will listen to the Senator from South Carolina.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank my distinguished colleague, the Senator from North Dakota, Mr. DORGAN. He knows this particular subject intimately. He is an expert in the field. He is right on target on the broad observation that it is very unfortunate we cannot debate trade—just generally speaking.

I am going to make a few comments in just a little while with respect to

the overall idea that the software industry, computerization and otherwise, is the engine, this is the engine that has gotten America this wonderful boom of its economy. It has for the stock market, but not necessarily for the strength of the economy. We will have to get into that.

There are a few loose ends. Just recently, for example, the distinguished Senator from New York, as I understood it, questioned the matter of jobs and the statistics used. So I have the statistics from the Bureau of Labor Statistics, dated October 15, at 12:05. We have lost 17,700 textile jobs and 13,500 apparel jobs, for a total of textile and apparel jobs lost in South Carolina of 31,200, and a national loss of 424,000. That is the authority for the statistics, the facts I have been using.

Further, I have heard the debate. I want to be sure that it does not slip my memory. The distinguished Senator from Delaware came up a moment ago, the chairman of our committee, and said: ''Really, the reason for the loss of jobs is high tariffs. That is why they go to get the protection of high tariffs.''

I will try to get to see him later. Maybe he is joining me in my position because we certainly then do not want reduce the tariffs. I ask unanimous consent to have printed in the RECORD the text of the tariffs in the Caribbean and the text of the tariffs in Africa.

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

TEXTILE TARIFFS IN THE CARIBBEAN (AS HIGH AS)

Dominican Republic: 43% (Includes 8% VAT).
El Salvador: 37.5% (Includes 12% VAT).
Honduras: 35% (Includes 10% VAT).
Guatemala: 40% (Includes 10% VAT).
Costa Rica: 39% (Includes 13% VAT).
Haiti: 29%.
Jamaica: 40% (Includes 15% general consumption tax).
Nicaragua: 35% (Includes 15% VAT).
Trinidad & Tobago: 40% (Includes 15% VAT).

TEXTILE TARIFFS IN AFRICA

Southern Africa Customs Union (South Africa, Botswana, Lesotho, Namibia and Swaziland): 74% (Includes 14% VAT for South Africa).
Central African Republic: 30%.
Cameroon: 30%.
Chad: 30%.
Congo: 30%.
Ethiopia: 80%.
Gabon: 30%.
Ghana: 25%.
Kenya: 80% (Includes 18% VAT).
Mauritius: 88%.
Nigeria: 55% (includes 5% VAT).
Tanzania: 40%.
Zimbabwe: 200%.

Mr. HOLLINGS. Mr. President, we have made that point. With NAFTA, we at least eliminated the tariffs. We had the side agreements on labor and environment, we had reciprocities, and we cut down on the tariffs. But here we have no reciprocity. There is no tariff elimination. According to the argument propounded by the distinguished chairman of the Finance Committee, since Zimbabwe has a 200-percent tariff, all of the textile industry should move there immediately, under his reasoning.

The truth is, with the elimination of the tariffs, the opposite is true. With the elimination of the tariffs the investment has gone south. That sucking sound, as Ross Perot talked about, I can hear it. They can't hear it but I have heard it, 31,200 textile and apparel jobs in my State since NAFTA. I continue to hear the sound. I want to emphasize that.

Further, the statement was made by the distinguished Senator from Iowa that we had a 50-year history of removing barriers. Ha. Not at all. Not at all. We have had a 50-year history of removing our barriers, using foreign trade as foreign aid. But take textiles alone—we have the book. This is ''Foreign Regulations Affecting U.S. Textile and Apparel Exports''; from 1994.

Maybe it is on account of me because I used to use this book. Over at Commerce they are not putting it out, but you can get the individual countries and make up an even bigger book—because it has gone up. It has not gone down. They said ''50 years of liberal trade policies eliminating or reducing tariffs.'' The war was over in 1945. To 1995 would be 50 years; to 1994, 49 years. That is 49 years of not reducing foreign textile tariffs and not reducing all the other tariffs and nontariff barriers.

You cannot get in and do business, still, in Japan. If you want to sell textiles or do anything about textiles in Korea, you have to get a vote of the industry. Everybody knows Korea have used the Japanese system of controlled capitalism, and it works. That was the American system under Alexander Hamilton. We point out time and again to the Brits, once we won our freedom in the earliest days—David Ricardo, the doctrine of comparative advantage; Adam Smith, open markets, let's go right now. The Brits corresponded with Hamilton saying: You fledgling colony, now that you have won your freedom, let's trade back to the mother country with what you produce best and we will trade back with you what we produce best.

Hamilton said in a book ''Reports On Manufacturers''—bug off. He said: We are not going to remain your colony.

The second bill that passed this Congress, from which I stand here this evening, on July 4, 1789—the first bill being, of course, the Seal of the United States—the second bill on the 4th of July, 1789, a tariff bill of 50 percent on 60 articles. We started and built this economic giant with controlled capitalism, with protectionism. It is emulated—and I do not blame them, it has worked—in Japan.

It is not about being fair. These American politicians whine: You have to be fair, be fair.

Come on. You have to be realistic. Trade is trade—a fair price for a sound article. It is not a giveaway. Japan is working. Its system is working.

All these articles have been written. That is why I want everybody to read Eamonn Fingleton's ''Hard Industry.'' I cannot put the whole book in the RECORD, but I will make reference to it in a minute.

Japan, with 125 million citizens and the United States with 260 million citizens, still outproduces us. They are outproducing us. They have a stronger economy. They have a better savings rate. There may be one or two banks bankrupt, but a lot of them did not go bankrupt. They readjusted. They continued to take over market share.

This past year, they have taken over, again, more of the American automobile industry than the American manufacturers. It is working. If I were there, I would run it the same way. I would not run away saying they are being unfair. We are being downright stupid.

The Senator from North Dakota pointed out the observation of Will Rogers: We win every war but lose every conference because we run around like we are fat, rich, and happy. That is exactly what we heard from the Senator from Delaware, that we have this booming economy. Not so. We have a $300 billion deficit in the balance of trade and we increased the debt again at the end of the fiscal year. We spent $127 billion more than we took in and one important economic indicator—the consumer confidence index—is falling. Chairman Greenspan is raising interest rates, and our nation has lost textile jobs to the extent that two-thirds of the clothing I am looking at is represented in imports. I am fighting today to maintain the one-third.

This industry is very productive and very competitive but cannot remain so if this bill passes. Within a 5-year period, we are going to have enough problems with respect to the phasing out of the Multifiber Arrangement. So we have to batten down the hatches now and stop putting in these giveaway programs to the Caribbean and to the sub-Sahara on the basis of helping the Caribbean and the sub-Sahara people.

I wanted to put in the book of foreign firms located in Mexico in the fabric field. They said it was too many pages. The reason I wanted to do that, of course, is the fabric field abandoned the apparel industry. Now that industry is locating jobs out of the U.S. and that sucking sound of jobs you hear I am trying to prevent from becoming a roar.

Maybe they are listening because I received a letter from ATMI. I had not seen this letter. It is dated October 1, 1999. There are two dates. September 28, 1999:

Dear Members of Congress: On behalf of the American Textile Manufacturers Institute, I would like to share our views regarding the Caribbean Basin [Initiative] and the Africa Growth and Opportunity Act that was approved by the Senate Finance Committee . . . and to express, for the record, our position on any trade package that might include the measures.

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

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

MILLIKEN & COMPANY,
September 28, 1999.

Re CBI, Africa trade legislation.

DEAR MEMBERS OF CONGRESS: On behalf of the American Textile Manufacturers Institute (ATM), I would like to share our views regarding the Caribbean Basin trade bill (S. 1389) and the Africa Growth and Opportunity Act (S. 1387) as approved by the Senate Finance Committee, and to express, for the record, our position on any trade package that might include these measures.

On CBI, ATMI supports the yarn-forward, 807A/809 approach embodied in S. 1389. This approach, which has also been proposed by the Administration, would extend duty-free, quota-free treatment to apparel from the region only if it is made of U.S. yarn and U.S. fabric, and U.S. thread of fabric shipped to the region in roll form. It would ensure that benefits accrue to all sectors U.S. apparel manufacturers, the CBI countries, U.S. importers and retailers, and U.S. textile and fiber producers while harming none of them. No other CBI proposal strikes such a balance. And, in the current political climate, no other CBI proposal stands a better chance of being enacted.

ATMI cannot, however, support Senate passage of the African Growth and Opportunity Act (S. 1387) in any form as a stand-alone bill or as part of a trade package because of the dangers posed by a conference with the House. While S. 1387 includes critical U.S. yarn and fiber requirements, the House-passed Africa bill (H.R. 434) will promote massive illegal transshipments of Asian and apparel products through the 48 nations of Sub-Saharan Africa to gain duty-free, quota-free access to the U.S. market. The result will be that billions of dollars of illegal Asian, particularly Chinese transshipments will enter the U.S. at zero duty, resulting in job losses for thousands of workers, many of whom are African-American, in the U.S. textile, apparel and fiber industries. The House Africa bill is so fatally flawed that any compromise other than the bill approved by the Senate Finance Committee would be extremely harmful to our industry.

Therefore, without firm assurance that the Senate Finance Committee's Africa bill will be maintained in conference without change, we remain opposed to any package containing the Africa bill, even it were also to include the Finance Committee's yarn-forward, 807A/809 CBI bill. For as beneficial as an 807A/809 CBI bill would be for all the sectors in the textile complex from fiber all the way through retail, it would not overcome the price of a bad Africa bill. Simply put, the Sub-Saharan Africa bill is a poison pill it is so badly flawed and would exact such a heavy toll on the U.S. textile industry at we must oppose it, even at the expense of a balanced and viable CBI bill.

Accordingly, ATM encourages you to oppose any trade legislation containing a Sub-Saharan Africa trade bill and support passage of the Finance Committee's CBI bill (yarn-forward, 807A/809) apart from the Africa bill.

Sincerely,

DOUG ELLIS,
President.

AMERICAN TEXTILE MANUFACTURERS INSTITUTE,
October 4, 1999.

Re Update on trade and legislative issues.

To Chief Executive Officers of ATMI Member Companies.

DEAR MEMBERS: ATMI's Board of Directors discussed a number of key trade and legislative issues at its fall meeting last month. I want to take this opportunity to inform you of those discussions and to review ATMI's positions on these issues.

One of the key issues discussed at the meeting was the pending Caribbean enhancement legislation, often referred to as the CBI (Caribbean Basin Initiative) bill. Presentations by John Reilly of Nathan Associates and Fernando Silva of Kurt Salmon Associates indicated that the U.S. textile industry will benefit most from a bill that requires Caribbean apparel to use U.S. fabrics made of U.S. yarns in order to gain quota-free and duty-free access to the U.S. market. That approach is contained in the Senate Finance Committee's bill (S. 1389), but not in the bill reported by the House Ways and Means Committee. The Senate bill also requires that if the U.S. fabric is cut in the Caribbean the apparel must be assembled with U.S.-formed thread.

The Senate is likely to vote on this bill within the next three weeks, and it will probably be considered together with the Sub-Saharan Africa free trade bill.

The Sub-Saharan bill was also discussed by the Board and, as noted below, the Board's previous decision to oppose Sub-Saharan legislation was reiterated. Even though the Senate Finance Committee version of the Sub-Saharan bill requires U.S. yarns and fabrics, as with the Caribbean bill, the House-passed Sub-Saharan bill would be so damaging to the U.S. textile industry that ATMI's Board remains committed to opposing Sub-Saharan legislation. The risk of a compromise between the House and Senate versions that would still be damaging to the U.S. industry has made this position necessary.

After extensive discussion, the Board voted to reaffirm its support for the Senate CBI bill and opposition to the Sub-Saharan Africa bill as follows: ''The Board of Directors reaffirms its current position on CBI parity and the Sub-Saharan Africa Bill and unconditionally opposes the CBI bill approved by the House ways and Means Committee''.

Other trade/legislative issues discussed were reform of the trade rules governing imports from the Northern Mariana Islands, China's attempt to join the World Trade Organization (WTO), and the new round of WTO trade negotiations. Following is a summary of ATMI's positions on each, which were not changed by the Board:

The Board resolution on China's accession to the WTO approved by the Board on March 11, 1999 is as follows:

The ATMI Board holds as a pre-condition for its support for China's accession to the WTO the following:

A. The reduction or elimination of tariff and non-tariff barriers to its textile and apparel market that will result in effective market access to all WTO exporting countries.

B. China must also adhere to equitable conditions of competition regarding: 1. Worker's rights; 2. Environmental preservation; 3. Dumping, countervailing duties (subsidies); and, 4. Transparency.

C. China must go through the full ten-year integration schedule out of the quota system as every other WTO member country.

WTO Negotiations—The U.S. should seek the following as part of a new round of WTO negotiations that will be kicked off at the WTO meeting in Seattle in December:

No cuts of U.S. Textile/apparel tariffs:

Access to key textile/apparel markets, which those countries committed to provide in the previous round of WTO/GATT negotiations;

Maintain U.S. laws against foreign unfair trade practices (dumping subsidies) without any weakening;

No acceleration of the phaseout of textile/apparel quotas.

Northern Marianas—ATMI supports bills (H.R. 1621 and S. 922) that will close a loophole and prevent apparel made in the Northern Marianas from being labeled ''Made in the U.S.A.'' and from entering the U.S. duty-free and quota-free. For more information and to contact your representatives and senators on this, please see the excellent internet site www.takepride.org.

I hope this provides you with a useful update of key trade/legislative issues. I urge each of you to continue to contact your congressional representatives in the House and Senate to support our position.

Please call me, Carlos Moore or Doug Bulcao of our staff if you have any questions or information about these issues.

Sincerely,

DOUG ELLIS,
President.

Mr. HOLLINGS. I do not want to mislead or misquote. They say they are for the CBI part of the bill. I quote from the letter in the third paragraph:

ATMI cannot, however, support Senate passage of the African Growth and Opportunity Act in any form as a stand-alone bill or as part of a trade package because of the dangers posed by a conference with the House. While S. 1387 includes critical U.S. yarn and fiber requirements, the House-passed Africa bill will promote massive illegal transshipments of Asian and apparel products through the 48 nations of sub-Sahara Africa to gain duty-free, quota-free access to the U.S. market. The result will be that billions of dollars of illegal Asian particularly Chinese transshipments will enter the U.S. at zero duty resulting in job losses for thousands of workers, many of whom are African American, in the U.S. textile apparel and fiber industries.

The House Africa bill is so fatally flawed that any compromise, other than the bill approved by the Senate Finance Committee, would be extremely harmful to our industry. Therefore, without firm assurance that the Senate Finance Committee's African bill will be maintained in conference without change, we remain opposed to any package containing the African bill even if they were to also include the Finance Committee's yarn forward 807A/809 CBI bill.

That would have saved me days in this debate because we are using the same authority. I wish we could have the sandwich board back up. They were saying the ATMI, representing all of the textile industry, will support my position.

Let's say they oppose half of my position; namely, the CBI. I at least have support from my own ATMI for the position I have taken. I am beginning to feel a little strength this afternoon where we are picking up a little speed. Maybe I can get the Senator from Florida to support me. I am going to try my best because I want everyone to understand just exactly what was being talked about by the distinguished Senator from North Dakota with respect to the overall trade.

We are finding out with respect to agriculture, where I think it would almost be an embarrassment to ask for another subsidy for agriculture—I support agriculture. Everybody knows it. But we have to be up front and lay it on the line.

We have magnificent agriculture, not on account of market forces but on account of Government forces. They are

saying market forces, free market. They always give me that when I bring up my textile bill, and they have, what? The land itself.

We had our friend—Sen. Dale Bumpers—the Senator from Arkansas, talk about the leases ranchers can get for grazing lands to get their wool.

I understand the distinguished ABC announcer who lives in New Mexico has a mohair subsidy. I know the telephone is subsidized with the co-ops. Electricity is subsidized.

These producers have been getting price supports. They get export promotion, trade promotion, and everything else like that. If it rains they get help. If it dries up, they get a drought, they get help.

With durum wheat and these so-called free trade market forces, we have had an amendment introduced on this particular bill for trade adjustment assistance.

So you can see the article by Mort Zuckerman of October 18 in U.S. News & World Report states:

We are becoming two nations. The prosperous are rapidly getting more prosperous and the poor are slowly getting poorer. George W. Bush did well to rebuke his party when House Republicans maneuvered to balance the budget by proposing to delay the earned income tax credit for the working poor—paying it in monthly installments rather than an annual lump sum. ''I don't think they ought to balance the budget on the backs of the poor,'' Bush said. Instead, it is time for aspiring leaders to ponder how the two nations might more closely become one.

The American economy is growing dramatically. But this prosperity is being distributed very unevenly. The America that is doing well is doing very well indeed. But most benefits have gone to those who work in industries where the main product is information. The losers have been the producers of tangible goods and personal services—even teachers and health care providers. The high-tech information economy has been growing at approximately 10 times the rate of the older industrial economy. It has enjoyed substantial job growth, the highest productivity gains (about 30 percent a year), and bigger profits. It can therefore afford bigger wage gains (about four times that of the older economy). And this wage gap is likely to widen for years to come.

The rich get richer. The concentration of wealth is even more dramatic. New York University economist Edward Wolff points out that the top 20 percent of Americans account for more than 100 percent of the total growth in wealth from 1983 to 1997 while the bottom 80 percent lost 7 percent. Another study found that the top 1 percent saw their after-tax income jump 115 percent in the past 22 years. The top fifth have seen an after-tax increase of 43 percent during the same period while the bottom fifth of all Americans—including many working mothers—have seen their after-tax incomes fall 9 percent. The result is that 4 out of 5 households—some 217 million people—will take home a thinner slice of the economic pie than they did 22 years ago.

Mr. President, I ask unanimous consent that article be printed in its entirety in the RECORD.

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

[From the U.S. News & World Report, Oct. 18, 1999]

A NATION DIVIDED

(By Mortimer B. Zuckerman)

WHAT TO DO ABOUT THE EVER WIDENING GULF BETWEEN RICH AND POOR?

We are becoming two nations. The prosperous are rapidly getting more prosperous and the poor are slowly getting poorer. George W. Bush did well to rebuke his party when House Republicans maneuvered to balance the budget by proposing to delay the earned income tax credit for the working poor—paying it in monthly installments rather than an annual lump sum. ''I don't think they ought to balance the budget on the backs of the poor,'' Bush said. Instead, it is time for aspiring leaders to ponder how the two nations might more closely become one.

The American economy is growing dramatically. But this prosperity is being distributed very unevenly. The America that is doing well is doing very well indeed. But most benefits have gone to those who work in industries where the main product is information. The losers have been the producers of tangible goods and personal services—even teachers and health care providers. The high-tech information economy has been growing at approximately 10 times the rate of the older industrial economy. It has enjoyed substantial job growth, the highest productivity gains (about 30 percent a year), and bigger profits. It can therefore afford bigger wage gains (about four times that of the older economy). And this wage gap is likely to widen for years to come.

The rich get richer. The concentration of wealth is even more dramatic. New York University economist Edward Wolff points out that the top 20 percent of Americans account for more than 100 percent of the total growth in wealth from 1983 to 1997 while the bottom 80 percent lost 7 percent. Another study found that the top 1 percent saw their after-tax income jump 115 percent in the past 22 years. The top fifth have seen an after-tax increase of 43 percent during the same period while the bottom fifth of all Americans—including many working mothers—have seen their after-tax incomes fall 9 percent. The result is that 4 out of 5 households—some 217 million people—will take home a thinner slice of the economic pie than they did 22 years ago.

There are those who point out that these income figures do not fully reflect the improvement in the standard of living and say that attention should be paid to what Americans own, what they buy, and how they live. A fair point. Two economists, W. Michael Cox and Richard Alm, have revealed that each person in the average household today has 814 square feet of living space compared with 478 square feet in 1970; that 62 percent of all households own two or more vehicles compared with 29 percent back then; that the number of gas ranges has increased sixfold, air travel four times, and the median household wealth—i.e., the familiy right in the middle—has jumped dramatically. Even given such improvements in life quality, our public policy must not exacerbate the disproportionate concentrations of wealth.

Fortunately, Americans are pragmatists. They know that what you earn depends on what you learn, especially in a digital economy; so 83 percent of our children now complete four years of high school, compared with 55 percent in 1970. This is good news. But vast numbers of people feel marginalized in an information-based economy. For too many, work no longer provides the kinds of wages and promotions that allow them to achieve economic success or security. Wage increases do not substantially increase their real income, so they have to work longer hours, get a higher-paying shift, or find another job. These are the people who are particularly concerned about the benefits they stand to gain from Medicare and Social Security. If they do manage to put together a successful strategy to survive, they should not be hit with sudden shocks—like the denial of the lump-sum tax credit.

Bush may have discomfited his Republican colleagues, but his words served to remind that they are out of touch with the realities of life for so many Americans. He later softened his criticism, but it is time, nevertheless, for a more generous leadership from the House Republicans. They should not berate Bush. Indeed, they may well find themselves in his debt should his appeal to the center of American politics provide them the coattails they will need when voters head to the polls in just over a year.

Mr. HOLLINGS. I emphasize:

The top fifth have seen an after-tax increase of 43 percent during the same period, while the bottom fifth of all Americans—including many working mothers—have seen their after-tax incomes fall 9 percent.

Fall 9 percent? Disappear. That is the issue in the bill before us. That is why the Senator from South Carolina takes the floor, because they are going to disappear. You have seen exactly what causes that disappearance. It is so-called free trade, free trade—the CBI. We are all for liberal free trade.

We can sit around, as politicians, and we can wonderfully agree, in a bipartisan fashion, on this high standard of living. Before you can open up X manufacturing, you have to have clean air, clean water, minimum wage, Medicare, Medicaid, safe working place, safe machinery, plant closing notice, parental leave—all of these ramifications of the high standard of living that Republicans support, that Democrats support. But then when you open it up, without protection of your economic strength—your industrial backbone—you begin to hollow it out, and see free trade, free trade, you can go, for 58 cents an hour, down to—someone used the figure 82 cents an hour—to Mexico with none of those requirements.

I went down to Mexico. I crossed into Tijuana. And the mayor saw me. He said: Senator, I want you to meet with 12 people. I said: Well, yes. I am down here, and you have been nice enough to come out. I will be glad to.

I was looking at all the different industries, of course, and talking to the industrialists themselves, not politicians. But the mayor was very courteous, so I met with them in a little grouping. And in a short word, what happened was—this is about 4 years ago—they had a heavy rain at the end of the year and the beginning of the new year. And it flooded and washed down these little hovels.

There are 100,000 people out in this valley of hard dirt. For a place to live, they take five garage doors and put them together. There are no streets. There are no power lines. There is a little electric wire, but that isn't sufficient other than to hold a light. It cannot run the TV. They have a battery to

operate the TV. It is a terrible, miserable existence. But they are proud people, and they work, and they try to get their children to school.

So when the rain fell, they all got bogged down—they missed a day of work. So they went to the plant the next day, trying to hold on to their garage door housing, and they found out, under the work rules in Mexico, they were going to be docked another 3 days. So they lost 4 days' pay. That sort of got them a little discouraged with this plant that had moved down from California making these plastic coat hangers.

A month passed in February. These workers did not have any protection whatsoever on the inside with the manufacturing—as we talk about with safe machinery and a safe working place—and something broke and flew into a worker's eye, which he lost. Then the workers became more concerned.

But on May 1, they had a favorite supervisor. She was expecting. She went to the front office and said: I'm sorry, I'm not doing well. I'm sick. I'm going to have to go home. They said: No, you're not. You stay in here and work or else you are not going to have a job. So she stayed, worked, and miscarried.

Then the employees said: We are going up to California, and we are going to get a union. You know what they did? They went up there and got a lawyer in Los Angeles and found out that they had a union.

These maquiladora owners are clever enough. When they move down, they fill out the papers, saying that they have a union. And the papers are there but the workers never see a shop steward. They never saw a union man, or anybody else around the plant; never met them. No one was ever there. But they swap monies amongst themselves to try to make it look official.

Mexican law says if you have a union and try to organize one, you lose your job. And the 12 I was talking to with the mayor were fired. They could not make a living anymore, could not get a job.

You wonder why illegal immigration is so high—I would have bugged out of that country, too. I would have sneaked into the United States or some other country, I can tell you now, to feed my family.

That is the kind of work conditions that we try to prevent here in the U.S., which still persist in Mexico. These are the kind of side agreements that we had to try to prevent within NAFTA. So we did that, and we don't have that at all with respect to the different companies down there, let's say, in El Salvador. I won't get into every one of them.

A Korean-owned maquila with 900-plus workers, Caribbean Apparel, S.A., American Free Trade Zone, Santa Ana, El Salvador: death threats, workers illegally fired and intimidated, pregnancy tests, forced overtime, locked bathrooms, starvation wages, workers paid 15 cents for every $16.96 pair of Kathie Lee pants they sold, cursing and screaming at the workers to go faster, denial of access to health care, workers fired and blacklisted if they tried to defend their rights. Caribbean Apparel is inaccessible to public inspection. The American Free Trade Zone is surrounded by walls topped with razor wire. Armed guards are posted at the entrance. Forced overtime, 11-hour shifts, 6 days a week, mandatory pregnancy tests, and on and on.

I have to get this in the RECORD this evening because I have been very considerate of my colleagues. Many wanted to talk about our late colleague, the Senator from Rhode Island, obviously. I will always yield for that and for other particular points they want to make.

You have another Kathie Lee (Wal-Mart) sweatshop in Guatemala, San Lucas, Santiago, Guatemala: forced overtime, 11- to 14½-hour shifts, 6 days a week, 7:30 to 6:30 p.m., sometimes they work until 10:00 p.m. The workers are at the factory between 66 and 80 hours a week. Refusal to work overtime is punished with an 8-day suspension without pay. The second or third time this offense occurs, the worker is fired. Below subsistence wages, for 44 regular hours the pay is $28.57 or 65 cents an hour. This does not meet subsistence needs. Armed security guards control access to the toilets and check the amount of time the women spend in the bathroom, hurrying them up if they think they are spending too much time. Public access to the plant is prohibited by heavily armed guards.

You can go right on down this list. I will tell you right now, if you try to organize a union, they will shoot you.

Point: You are going to hear how this is going to be so good—as the Senator from Delaware said, a win-win situation. You are going to hear another Senator now say this is the way we want to go.

Can't we stop, look, and listen and get these dreadful labor situations cleaned up before we go? Is that what we want to put the stamp of approval on, this kind of heinous conduct down there in the Caribbean? This isn't with everybody sitting on the beaches with the suntan oil waiting for the President to call us back in session this fall, maybe, if we don't pass this bill. All kind of threats made, how important the bill is.

In September, Jiovanni Fuentes, a union organizer assisting the workers at Caribbean Apparel, received a death threat from the company. He was told he and his friends should leave the work or they would be killed. He was told he was dealing with the Mafia, and in El Salvador it costs less than $15 to have someone killed.

Whoopee, let's pass the CBI bill. We want to make sure we get that kind of production. The cheap shirt they put on the floor and said, look at what we are doing, the retailers are for this bill. Sure they are because they will kill you if you don't produce for next to nothing down there in the CBI.

It is a broader problem. Let us go right to what I have heard all year long about software, software. Software is the engine that is really running this wonderful economy here in the United States of America. Of course, we have had the pleasure of meeting Microsoft's Bill Gates. I happen to be one of his admirers. I particularly admire the recent initiative with his foundation, that they gave $1 billion to our friend, Bill Gray, United Negro College Fund, to make sure every black in America could receive a college education. Gates is making maybe $2 billion. He can afford it. But that is the finest thing this Senator has heard all year of 1999.

Somehow, somewhere it is an economic situation that we face in the State of South Carolina, Georgia, the southern part of our country, where we have had, for a long time, a lack of any kind of educational facilities for the minorities. When I first came to public office, I went out and saw that little American Freedom School for the blacks. It was one big building. They had four classrooms in one room, a pot belly stove in the middle, and one teacher.

Somehow, somewhere they have been getting jobs. Do you know what? They have textile jobs: 37 percent minority employed; over 50 percent are women.

They wouldn't allow minorities to work in a textile plant when I first came to public office. I can tell you that they do now. That is why the head of the Black Caucus, the distinguished Congressman JAMES CLYBURN of South Carolina, why he is opposed to this bill. Don't give me no sandwich board of Amoco, Exxon, Citicorp, and all the money boys, for Lord's sake. Ask somebody, as they used to say with the Packard automobile, ask the man who owns one. Ask the Congressman who has worked in the vineyards, trained in the public, headed up our human affairs councils, now head of the Black Caucus in the House of Representatives of the United States of America. He is absolutely opposed to this because he is just getting jobs for his constituents. And he knows now we are going to export jobs. That is the biggest export we have. Export, export, export.

Well, back to Bill Gates. I am referring, of course, to ''In Praise of Hard Industries,'' by Eamonn Fingleton: Mr. Gates himself exemplifies in high degree the sort of mind that succeeds in the software industry. He reportedly can recall the telephone extension numbers and car license plate numbers of countless Microsoft employees. According to the authors James Wallace and Jim Erickson, even as a child he displayed amazing memory skills. In particular, he won a local parish contest by memorizing and reciting the entire Sermon on the Mount. The passage is the equivalent of nearly four standard newspaper columns of type.

Among the hundreds who participated in the contest over the years, Gates, who was then only 11, was the only challenger who ever succeeded in reciting the entire passage without stumbling or missing a line.

Now, you have to respect that. That is a fellow who deserves a billion a year or whatever it is he is making. I can't keep up with it. I do know he has done extremely well. I visited in Redmond, WA. He has the most magnificent, I don't mean ornate, I mean commonsensical approach to his employees.

I understood from Time magazine, at the close of the year, they had 22,000 employees with stock options, 22,000 millionaires. So they are all well paid, and we respect that and we don't oppose that. We don't expect this bill is going to affect that one way or the other, but it is going to affect the $8.37-an-hour textile and apparel worker in the State of South Carolina, I can tell you that; or the average is even better, about $10 an hour now. They have health care. We are all talking about those who don't have health care. A young lady can work and she can get health care so when her child is sick, they can get to a doctor. When she can save a little every month and get a health insurance policy and send the kids to college, that is a good job.

I have lost 31,200 of them; I can tell you now. The Senator from Delaware says, well, we ought to realize the trend is global competition, better jobs. Let's think on those 31,200 because I know we have had a net loss of manufacturing jobs since NAFTA. Yes, we have BMW and Hoffman-LaRoche and all these industries that are the envy of everybody. I have GE, General Electric. My trouble is, I used to have five General Electrics. I only have one left. They have all left to go to Brazil or Malaysia or elsewhere.

I can tell you now that it isn't easy to hold on to these industries. What has happened to my industry—and the reason I want to emphasize this about software is to disabuse the political minds in the National Congress that it is not the engine on the one hand, and on the other hand, they are headed the same way of textiles.

Mr. President, 1998 ratios of imports to consumption. Aircraft engines, we import 70 percent. You see, the Airbus—market forces, market forces, market forces. Well, the European, very sensibly—not saying it is unfair and just whining about fairness. Come on. That comes from silly pollsters who never ran for office. The Europeans realize that, wait a minute, out of the defense industry came the magnificent research in aerospace. Out of our space program came the magnificent research in aerospace. So we gave that to the Boeing, Lockheed, McDonnell Douglas, and all the rest of them.

We gave them Export-Import Bank financing. It was a predominant industry at one time. The engines are being made by GE, Pratt and Whitney, and the rest. But now we find out that we are importing the majority of the engines. I have seen where USAir, which I travel back to South Carolina on, bought Airbus. There is no such thing as ''buy American.'' I remember when they used to demonstrate when they didn't ''buy American.'' We can go down the list: Tape recorders and video tape players, 100 percent; radio transmission and reception apparatus, 58 percent; television apparatus, 68.5 percent. You can go down to electrical capacitors and resistors, 69.5 percent, and that is where I lost my GE plant. That means we have about 30 percent being produced here. It gets unproductive to produce here, uneconomical. Watches, 100 percent. Look at the watch on your hand; it came from elsewhere, I can tell you that. Footwear, 84.2 percent. Look at the shoes. If they stop working overseas, we have to go barefoot. This is the list.

Now, what about this wonderful engine with this magnificent economy that they brag about? I have stopped them bragging with some of the columns in the financial news, and otherwise.

In his search for world-beating software talent, [Mr. Gates] has included six Japanese universities among the top twenty-five universities worldwide where he likes to concentrate Microsoft's recruiting efforts. Gates should know about Japanese software talent given that one of his closest friends and confidants in his early days was the Japanese software engineer Kazuhiko Nishi. Before they had a falling-out in the mid-1980s, Gates described Nishi as ''my best guy ever.''

This says:

Thus, for a software entrepreneur in a low-wage country, the capital cost per job can be as little as $10,000, a reduction of more than 90 percent from the mainframe era. This figure is well within the reach of software subcontracting companies in low-wage countries—and far less than is needed to get started in even the least sophisticated areas of manufacture.

So we know none better than Mr. Gates himself. They have the mentality. We don't have all the Gateses in the world, because Kazuhiko Nishi will probably near equal him, according to Gates himself. What does it cost? It costs $100,000 to create a textile job when you have high-tech machinery now in these plants. They have been spending $2 billion a year. I use that quote on page 18 of this particular volume, which is authoritative. Spinning is a good example, as recounted in the Wall Street Journal. ''The capital required in the state-of-the-art spinning mill these days can amount to as much as $300,000 per job.''

In contrast, this requires only 10,000 in so-called software. The minds ought to flex in the Senate body because what has happened is they are blindly looking at the stock market. Maybe some of them are making a bunch of money. They don't want to see further; all they know is they are making a fortune. But they are not looking at the jobs. I have tried my best to get the figures with respect to the balance of trade in software. I am convinced we have a deficit in the balance of trade. But according to the Department of Commerce figures, the U.S. receipt in software is $3.2 billion and the payments are $.05 billion, for a net balance of $2.7 billion in software trade.

But I looked further and I found out licensing is considered exports. So as they license them in India, for example, and other places to do this computerization—like my light bill in South Carolina is made up in India out of a firm from Columbia, SC. They send it in overnight. When they close down, all that work is done for them, so when they come to work in the office in the morning, it is all a done deal and they pay, let's say, $10,000 a job over there; whereas, it costs at least $100,000 in the American software industry.

We should dwell on this particular volume, Mr. President, and take a hard look at computer software because it goes right down and shows not only the Japanese are coming in, but the Chinese also. I had in here some sections that are easily referred to about the Japanese because they have really got the balance of trade. I read that earlier today. Let me say this.

Chinese programmers can develop software for, say, a clinic in the United States without knowing anything other than the end-user's basic requirements. Perhaps the most surprising—and for American software workers, the most ominous—aspect of IBM's Chinese affiliate is that it is pioneering a new work shift system linking several low-wage countries. When the Chinese programmers finish each evening, they pass their work on to Latvia and Belarus, where other IBM engineers continue working on the modules during the Chinese night. No wonder Bloomberg News commented: ''The tilt in software design towards more basic, interchangeable products is good news for countries like China with armies of talented programmers.'' Given that IBM has laid off thousands of programmers in the United States and other Western countries in the last five years, the message could hardly be clearer: the software industry's spread into the Third World has already begun—and a challenge to the West's software job base is imminent.

So China is coming in. The truth of the matter is, we are going to be losing this particular industry. And we ought to have a full debate when you start losing your hand tools and machine tools. When you start losing your steel industry, when you start losing the textile industry—found to be the second most important to our national security—when you start losing finally your software industry, then this crowd will sober up and begin to debate a trade bill in the proper fashion.

This is not in the interest of the worker. It is not in the interest of the economy. It is not in the interest of the security of the United States. It is a terrible, fatal blow, final and fatal blow to the textile industry. I know from hard experience. I have been in the work of creating jobs. I know about education and technical training. I know about the best of the best coming in. And I know about the best of the best leaving.

In spite of all the jobs we have attracted to South Carolina, in the last 4 years, there has been a loss of 12,000 jobs. Don't give them the Washington solution of retraining and new skills. We had the Oneida plant. It made just T-shirts. It closed at the beginning of last year. We got it some 35 years ago making these T-shirts. They had 487 employees. The age average was 47 years. They are closed now. But where did the jobs go? They have gone to Mexico. They did not create the jobs for the Oneida workers. They lost the jobs for the Oneida workers.

Now Washington is overly smart here, telling the workers that this is the trend—global competition, engine of the economy, and all that kind of nonsense. Retrain—let's try that on for size.

Let's assume tomorrow morning we have to retrain and have new skills for computer operators. I know the distinguished Chair is an outstanding business leader. He knows business. He knows that business is not going to hire the 47-year-old computer operator. They are going to hire the 21-year old computer operator. Business in competition can't afford to take on the retirement costs of a 47-year-old or the health care costs of a 47-year-old. They are going to take on that 21-year old.

So Andrews, SC, is a ghost town. We have some other industries I helped bring there. But I can tell you, those 487 are not coming back, as the distinguished Chair of the Finance Committee says, by just retraining and new skills.

This is happening with the automobile industry, with the automobile parts industry, with the aircraft industry, Boeing, and now, according to the recent statistics, with the software industry.

This Congress and this Government has a real problem up here. It is not a problem of getting these folks, me included, reelected. It is a real problem that only we can handle, that only we can take care of. Everyone else has their government on their side. When is our Government going to get on our side?

Yes. The Secretary of Labor is not calling over here. It is unfortunate. Do you know who is calling over here? The Secretary of State. The Secretary of State has a European Desk. She has a Japanese Desk. She has a Chinese Desk. She has a Cuban Desk. When are they going to get an American Desk? She is not going to have one. That isn't her responsibility. But she is talking free trade, free trade, so that the striped-pants diplomats can run around and give away even more.

You know how wonderful, fat, rich, and happy we were after World War II. We are going broke. I can prove it. You watch it. You will see it here. It will happen—not totally broke, obviously. The economy is simmering down. Don't worry about it. We are losing that hard industry, hard-core industry in the middle class. That is the strength of the democracy, according to G.K. Chesterton. That is why we have succeeded as a fledgling democracy—the strong middle class. And instead, we are getting rid of it. As Zuckerman says, we are going into two groups of people—the haves and the have-nots. One important industry to our national security is about to bite the dust with this piece of legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Thank you, Mr. President.

PRESCRIPTION DRUG COSTS

Mr. WYDEN. Mr. President, this is the eighth time in recent days I have come to the floor to talk about the issue of prescription drugs because, frankly, I think this is a priority for this session of the Congress and one we can tackle in a bipartisan way.

Senator OLYMPIA SNOWE and I have teamed up on a bipartisan bill. We were able to get 54 votes on the floor of the Senate for a concrete funding plan for our approach.

What I have been doing, as folks can see in the poster right next to me, is urging seniors to send in copies of their prescription drug bills. The poster is very clear. We would like seniors to send copies of their prescription drug bills directly to each of us in the Senate so we can emphasize how important it is that this be tackled in a bipartisan way.

Senator SNOWE and I have heard again and again that this is an issue that just has to be put off until after the 2000 election. The Republicans and Democrats are going to just bicker about it and sort of have an ongoing finger-pointing exercise and nothing will get done.

I happen to think there are a lot of Members of the Senate who want to tackle this issue and want to tackle it in this session of Congress.

Since I have come to the floor of the Senate and brought this poster urging seniors to send their prescription drug bills in, I have heard from a number of our colleagues in the Senate. They have said we need bipartisan action. A number of them have asked for copies of the bipartisan Snowe-Wyden bill. They want to know more about it.

I am going to continue tonight to read from some of these letters, particularly from folks I am hearing from in Oregon. But I want to take a few minutes tonight to talk about some important issues relating to this question of prescription drug coverage for senior citizens and particularly ask about this issue of whether we can afford, as a nation, to cover prescription medicine.

Mr. President and colleagues, I believe America cannot afford to not cover prescription drugs. The reason that is the case is that drugs in the 21st century are going to be preventive. They are going to allow for patients to be treated on an outpatient basis and it will make part A of Medicare, the hospitalization part of Medicare, less expensive.

I mentioned a drug the other night, an important anticoagulant that helps to prevent strokes. It is a drug that would cost perhaps $1,000 a year to assist seniors. If we can prevent those strokes through the anticoagulant drugs, we can save $100,000 that might be incurred as a result of expenses associated with a disability.

There is one bipartisan bill before the Senate dealing with this prescription drug issue. It is the Snowe-Wyden legislation. My view is we can't afford to continue to pass up the opportunity to address these health care issues in a preventive way rather than incurring the extraordinary expenses for more institutional care.

I will mention a few of the drugs that will be particularly important to older people. One is Neupogen, which helps cancer patients and others with compromised immune systems boost their white blood cell counts and avoid hospital stays. Another is Glucophage, which is now being used to help those at risk for diabetes from getting that disease which causes so many other serious health problems.

My mom has had diabetes for a long time. I have seen the costs of these medicines. To think there is an opportunity with a particular drug to cover these seniors with their prescription drug bills seems to me to be an option as a nation we cannot afford to pass up.

Another drug is Vasotec, which treats high blood pressure and helps to stave off strokes and heart disease and other major problems.

These are all important medications. They do cost money, but the bottom line is we can use these medicines. When seniors receive these medicines, they are in a position to stave off much more serious and much more expensive problems. It is sensible, in my view, to make sure seniors who need these medications—that are preventive in nature—can get them. Under the bipartisan Snowe-Wyden bill, that would be done.

As far as I am concerned, in my reading of history, there is pretty much nothing that can get accomplished in the Senate that is truly important that isn't bipartisan. Our proposal gives each senior a chance at affordable prescription medicine. It ought to be recognizable to Members of Congress because a version of this model is what ensures good health for the families of Members of this body and the Congress.

Since my days with the Gray Panthers—I have been working on this prescription drug issue for many years now—I have seen how many seniors have to walk an economic tightrope, balancing their food against their fuel costs and their fuel costs against their medical bills. We have now more than 20 percent of the Nation's older people paying more than $1,000 per year for prescription drugs. The typical senior is using 18 prescriptions a year.

One constituent from Medford, OR, wrote that from a modest income he spent more than $1,230 so far this year on prescription medicines.

The typical senior is taking 18 different prescriptions. I hope, as a result of this effort to collect these drug bills from seniors, we can actually get some relief for people in this country who are facing such serious and urgent health care needs.

Some have said we ought to wait until after the next election, we ought to wait for comprehensive Medicare reform. I know the Presiding Officer believes strongly in this. There are a lot of Members who want to see broader, more comprehensive Medicare reform. Under the Snowe-Wyden prescription drug proposal, we are using the kind of principles that make sense for Medicare in the 21st century. It is choice-oriented. It gives a lot of options to older people. We use marketplace forces to contain costs.

It has worked for Members of Congress and their families. I think it can work for my constituents at home in Oregon. I think it can work for the older people of this country. I am hopeful in the days ahead we can make the case for why it is important the Senate Act in this session.

The question of prescription drugs and will Congress tackle it now—all of the political prognosticators have said this is an issue the Congress is going to punt on. They have said this is an issue that is going to have to be put off. I don't see how, when seniors are sending copies of their prescription drug bills, a Member of this body, a Member of this Congress, can say we ought to put this issue off when there is a model that 54 Members of the Senate have voted for, that has strong bipartisan support, that uses marketplace forces as a model. Let's not say this is something that ought to be put off.

I think we know what needs to be done. I think we can do it in a cost-effective fashion. Our bill doesn't involve price controls. Some seem to think that is the way to go. What troubles me about plans to deal with prescription drug costs that involve price controls, we will have massive cost-shifting. If we have Medicare acting as the buyer for all the medicine, it may be possible for the Government to negotiate a discount. I have always said that might be possible. What troubles me about that approach is we will have the cost passed on to someone else who might be 26 or 27—maybe a divorced mom who has a couple of kids—working as hard as they can, and all of a sudden they find out their prescription drug bill shoots up because Congress adopted an approach in this area that doesn't use marketplace forces.

Under the bipartisan Snowe-Wyden plan, the only bipartisan prescription drug bill now before the Senate, we reject those cost controls. We don't advocate a one-size-fits-all Federal approach. We use marketplace forces, the kind of forces that help deliver decent and affordable care to Members of this body and our families.

I want to read briefly from a couple of the other letters I have received from Oregon. I will keep coming back to the floor of the Senate again and again until we get bipartisan action on this prescription drug issue. I think the question of prescription drugs is the kind of issue that can leave a legacy for this session. It is the kind of important question that will help folks and help families at a time when a lot have fallen between the cracks. We know the economy is strong. We know a lot of people are doing well. If they happen to be in the stock market, most of the time they are doing very well. But there are a lot of folks who don't have the stocks in the technology companies, a lot of folks are on modest incomes. A lot of the seniors I have worked with since my days with the Gray Panthers are telling me and telling other Members of the Senate they just can't afford their prescriptions. That is what this is about. They can't afford their prescriptions.

There is a right way and a wrong way to deal with that issue. The wrong way, in my view, is to have a price control regime and produce cost-shifting with intervention by Government. I don't think that will work. I think a lot of people will end up getting hurt by that approach. I think there would be a lot of unintended consequences.

The right kind of approach, the one advocated in the bipartisan Snowe-Wyden prescription drug bill, uses marketplace forces. It gives seniors the kind of bargaining power that health maintenance organizations would have. Those big organizations, the health maintenance organizations, can go out and negotiate deep discounts. They use their bargaining power in the marketplace to get discounts. What happens is seniors get shellacked twice. They get hit once because Medicare doesn't cover prescription drugs.

Medicare started out as half a loaf back in 1965. It did not cover prescriptions and eyeglasses and hearing aids and a variety of needs older people have. But as a result of the escalating costs of health care, a lot of seniors are paying more proportionately out of pocket today than when Medicare began in 1965.

So seniors are not able to afford their prescriptions, and that senior purchaser, a low-income elderly widow, in effect has to subsidize the big purchasers, the health maintenance organizations that can negotiate discounts.

There is a right way and a wrong way to deal with the issue of affordable medication. The wrong way is to create a one-size-fits-all Federal regime and put the Government in the business of trying to orchestrate this entire program. The other is to use a model that we know works. Under our proposal—we call it SPICE, the Senior Prescription Insurance Coverage Equity Act—Senator SNOWE and I, we reject this Government model. We use an approach that has private sector options and choices and gives seniors bargaining power.

We hope more older people will send us copies of their prescription drug bills. This poster really says it all to seniors and their families:

Send us copies of your prescription drug bills.

Send them to your Senator. Write to:

Your Senator, U.S. Senate, Washington, D.C.

I am going to wrap up tonight—because I know several of our colleagues would like to discuss matters important to them—with just a couple of other letters.

From the Oregon coast in the last few days, I received a particularly poignant letter. It is from an individual with an income of about $1,000 per month. She has to take prescription medicine, a number of prescriptions. Over the last few months, out of her $1,000-a-month income, she has had to spend almost $700. That is just over the last few months, from somebody who is on a very modest income.

Picture any one of us, or our relatives, trying to get by on an income of $1,000 a month and having to spend a significant portion of it, around $700 just in recent days, on prescriptions. We know they would not be able to do it. But that is the reality of what seniors on the Oregon coast are facing. That is the reality of what seniors all over this country are facing. That is what the bipartisan Snowe-Wyden prescription drug bill seeks to deal with. We want that person to get some real relief. We think it is time for the Senate to act on a bipartisan basis.

One other letter I received from the Willamette Valley, not far from my hometown, I thought was also particularly poignant. This was from a senior who sent me, really, all of his prescriptions. Just as we said in our poster, send us copies of your prescription drug bills, I think a lot of the seniors are doing it in a pretty detailed fashion. This is just an example of what I received from one older person in the Willamette Valley. She reports, on a very modest income, she is spending $236 a month on her prescription drugs. As she reports, that is without the over-the-counter medication she also has to take. She is 78 years old. She is concerned about whether or not the Senate is going to act. She is pretty skeptical, just the way a lot of other seniors are in our country. What we need to show is this Senate is willing to tackle these issues and do it on a bipartisan basis.

The time for finger pointing and scapegoating on this issue is over. We cannot wait for another year, another full year, for action on this matter. We ought to move now. There is one bipartisan bill before the Senate, one which I believe can bring Democrats and Republicans together. I am going to keep coming back to the floor of the Senate to talk about the SPICE Program, the

Senior Prescription Insurance Coverage Equity Act. It is voluntary in nature. Nobody is required to change anything. No senior, no family, would be required to change anything in their buying practices should they choose to continue doing exactly what they are doing. But for millions of older people, the SPICE Program, the Senior Prescription Insurance Coverage Equity Act, will be a bargain. It will be a winner because it will give seniors the kind of bargaining power the big health maintenance organizations have had.

It is not right, in my view, to give those buyers significant power in the marketplace and just say seniors and families do not matter. In effect, that is what we are doing. We are telling them: You go on out and do your best, walk into a pharmacy, and even though you are subsidizing the big buyers, this Senate will not do anything about it.

I believe it is time for bipartisan action on this. I believe it is time to create an approach to cover prescription drugs under Medicare that uses the forces of the marketplace, that is bipartisan, and that helps hold costs down. I believe a lot of seniors cannot afford their prescriptions. There is a right way and a wrong way to deal with it. The bipartisan Snowe-Wyden legislation is what we think is the appropriate way to go. We are going to continue to come to this floor and talk about the need for action on it.

As this poster says, what will help is if seniors send in copies of their prescription drug bills. We urge seniors to send them to us and send them to their Senator here in the U.S. Senate, Washington, DC 20510, because that will help Members of the Senate to see how urgent is this need.

The need was great years ago, but it is getting even greater. Too many older people every week are having to make a choice between their food costs and their fuel costs and their fuel costs and their medical bills. Let us show we can deliver on this important issue. There is a bipartisan bill now before the Senate. We hope seniors, as this poster says, will be in touch with us to let us know their feelings on this important matter.

I intend to keep coming back to the floor of the Senate until we get action on this issue.

I yield the floor.

The PRESIDING OFFICER (Mr. SESSIONS). The majority leader.

MORNING BUSINESS

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

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

NURSING RELIEF FOR DISADVANTAGED AREAS ACT OF 1999

Mr. HATCH. Mr. President, on October 22, the Senate passed by unanimous consent the Nursing Relief for Disadvantaged Areas Act of 1999. The Senate agreed, also by unanimous consent, to an amendment of mine added to that legislation. My amendment made a technical clarification to the L visa program. Unfortunately, an ''Interpretation of Technical Amendment'' at the end of my remarks on my amendment was inadvertently left out of the CONGRESSIONAL RECORD. I ask unanimous consent it be printed in the RECORD.

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

INTERPRETATION OF TECHNICAL AMENDMENT

''Collective'' and ''collectively'' refer to a relationship between the accounting and management consulting firms or the elected members (partners, shareholders, members, employees) of the various accounting and management consulting firms, inclusive of both accounting service firms and management consulting service firms or the elected members (partners, shareholders, members, employees) thereof.

An entity shall be considered to be ''marketing its services under the same internationally recognized name directly or indirectly under an agreement'' if it engages in a trade or business and markets its trade or business under the same internationally recognized name and one of the following direct or indirect relationships apply to the entity:

(a) It has an agreement with the worldwide coordinating organization, or

(b) It is a parent, branch, subsidiary or affiliate relationship to an entity which has an agreement with a qualifying worldwide coordinating organization, or

(c) It is majority owned by members of such entity with an agreement and/or the members of its parent, subsidiary or affiliate entities, or

(d) It is indirectly party to one or more agreements connecting it to the worldwide coordinating organization, as shown by facts and circumstances.

This provision is intended to provide the basis of continued L visa program eligibility for those worldwide coordinating organizations which may in the future divide or spin-off parallel business units which may independently plan to associate with a non-collective worldwide coordinating organization.

CLOTURE VOTE ON H.R. 434

Mr. KENNEDY. Mr. President, I regret that because of a long-standing commitment, I will not be here for tomorrow's vote on cloture on H.R. 434, The Sub-Saharan Africa Free Trade Act. If I could be here, I would vote against cloture.

I strongly oppose the majority leader's decision to fill the amendment tree to prevent us from offering amendments on some of the most important issues facing working families in this country, especially the minimum wage.

Federal Reserve Board Chairman Alan Greenspan has said numerous times that increased trade has raised the standards of living and the quality of life for almost all countries involved in trade, and especially the quality of life in our own country. Chairman Greenspan believes that the number one benefit of trade is not simply jobs, but enhanced standards of living.

I can think of no more important enhancement to the standard of living of America's hardest pressed working families than to increase the minimum wage. Surely, it is appropriate to send the message on this legislation that increased trade must definitely mean a better quality of life for the working poor.

I had hoped to offer an amendment to raise the minimum wage to this bill, but the majority leader's actions prevent me from doing that. This trade bill has been offered to enhance the standards of living for workers in Africa and the Caribbean. I am certainly in favor of that, but there are honest disagreements as to whether the proposal before us effectively does so. But, while we express our concern for workers in these nations, we cannot forget about the workers in our own country.

I commend President Clinton for making trade with Africa a priority for his administration. His leadership is the driving force behind this entire debate. As the Senate debates trade with Sub-Saharan Africa and the Caribbean region, we must ensure that we take the right approach to building these vital partnerships. Clearly, we must strengthen our economic ties with these nations, but I am not convinced the proposal before us is the best way to do so.

Unfortunately, the majority leader's actions have also prevented anyone on this side of the aisle from offering germane amendments that will help us to build lasting partnerships between African and American businesses, provide strong protections for workers rights, and preserve the environment. We clearly had an opportunity to enact a bill that would make trade with Africa and the Caribbean Basin countries a win-win for all of the nations involved, but the majority leader's actions have made that impossible.

Any bill on Africa that comes before the Senate should address both trade and the other important issues facing Africa today. It must deal with the AIDS crisis. It must offer substantial debt relief. And it must restore foreign aid. Yet the proposal currently before the Senate is silent on these fundamental issues facing Africa. I am pleased that Senator FEINGOLD, Senator DURBIN, and other Senators are prepared to offer amendments that address all of these concerns, and I strongly support them.

I am also very concerned about the impact of the pending bill on our textile and apparel industries, which are often hardest hit by imports. These industries remain a critical source of employment for many American workers. In Massachusetts, many textile and apparel employees live in the Merrimack Valley and in Southeastern Massachusetts. They work hard, and they have made a lasting impact on our state's history and culture.

I believe even the proponents of this bill will admit that the short-term effect of the legislation will be an acceleration of job loss in the apparel sector. And while this bill includes a reauthorization of the Trade Adjustment Assistance Program, which I strongly support, nothing in this bill will create a single job for these displaced workers to have.

While Massachusetts continues to be a leader in exports, many small companies and workers are suffering as a result of the trade deficits caused by the economic crises in Asia and South America. In response to the needs of companies hurt by imports, the Trade Adjustment Assistance Program in general, and the New England Trade Adjustment Assistance Center in particular, exist as valuable resources. They offer vital assistance to firms and workers suffering from competition by imports. The Trade Adjustment Assistance Program is an effective initiative that has been shown to provide a return on investment of up to 348 percent.

The American people, I believe, will hold this Congress responsible for refusing to address so many issues which are critical to our families and our communities. The majority has once again turned a deaf ear to the pleas of the American people for action, and I regret this latest missed opportunity.

DRYLAND DEGRADATION AND ITS IMPACT ON TRADE RELATIONS

Mr. JEFFORDS. Mr. President, as the Senate considers the Africa Growth and Opportunity Act, I would like to draw my colleagues' attention to an important article from the President of the Corporate Council on Africa, Dr. Mima S. Nedelcovych, concerning Africa's problem of severe dryland degradation (known as ''desertification'') as it affects our trade relations.

The Corporate Council on Africa, CCA, includes 180 members with substantial business interests in Africa, including such industry giants as General Electric, Ford Motor Company, IBM, Citibank, ConAgra, Cargill, AGCO, 3M, Pfizer, Land O'Lakes, Chevron, Texaco, Bristol-Myers Squibb, Eli Lilly, Raytheon and Rhone-Poulenc USA. Recently Dr. Nedelcovych, who also serves as Vice President for International Business Development for F.C. Schaffer & Associates, published a short article entitled ''Africa's Creeping Desert, A Problem for the U.S. Too,'' in the CCA's Perspectives on Africa (Fall 1999).

In it, Dr. Nedelcovych outlines clearly the extent to which the degradation of Africa's agricultural land is undermining one of the continent's most crucial natural resources, impeding economic growth, and slowing the hoped-for shift from aid to trade. Cocoa, coffee, cotton, cola nuts and spices grown in Africa end up in a myriad of everyday processed products on American store shelves, but land on which they are produced is increasingly threatened by a combination of bad management practices, drought and poverty.

As a boost to U.S. trade relations with Africa, Dr. Nedelcovych makes a strong case for full U.S. participation in the 1994 United Nations Convention to Combat Desertification, not just because it seeks to help Africa's agricultural sector grow and achieve food self-sufficiency, but because it will also open greater opportunities for U.S. sales to Africa, including seeds, agricultural machinery, irrigation equipment as well as a wide range of automobiles, pharmaceuticals, electronic equipment and other goods to more prosperous African consumers.

Dr. Nedelcovych ends with an urgent plea for the Senate to ratify this important agreement without delay. With a world population now over 6 billion and fertile farmland shrinking at an alarming rate worldwide, I heartily support Senate action on the Convention to Combat Desertification.

I ask unanimous consent that Dr. Nedelcovych's article be printed in the RECORD.

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

[Published by The Corporate Council on Africa, Fall 1999]

PERSPECTIVES ON AFRICA

A QUARTERLY JOURNAL OF DIALOGUE AND OPINION

AFRICA'S CREEPING DESERT—A PROBLEM FOR THE U.S. TOO

(By Dr. Mima S. Nedelcovych, President, Corporate Council on Africa)

We Americans are well known for our ingenuity and problem-solving abilities. All too often, however, we also are noted for our inability to see crises in advance and deal with problems when they are still easily manageable.

One such issue is the world's desertification problem. In Africa, more than two-thirds of the land is dry land, and approximately 70 percent of the population lives on that land. They also grow crops such as cocoa, coffee, cotton, cola nuts and spices on that land. Moreover, rare and endngered animals—a key to tourism in African countries—currently struggle to survive on that land. Without effective land management policies in developing nations, the need for foreign aid will rise at a time when available funds are shrinking.

The United Nations Convention to Combat Desertification has been designed to deal with this problem in a cost-effective way. The Convention does not call for the creation of a major new center of bureaucracy at the UN, nor does it create a mandated contribution by the United States. The onus is placed on developing nations needing assistance to devise a comprehensive national plan to effectively deal with desertification. However, if the United States Senate doesn't ratify this convention, the U.S. will be on the outside of this process, which will directly endanger U.S. interests.

The U.S. private sector has five concerns with how the problem of desertification is handled. First, no issue is more important than that of land use. The national plans called for in the Convention will govern all land use—not just agricultural land. Oil drilling, mining and manufacturing operations, all will be affected by this convention. If the United States fails to ratify this Convention, we will have no voice in the development and implementation of national land use plans.

Second, the United States sells hundreds of millions of dollars in irrigation and related equipment to Africa each year, as well as seeds and agricultural equipment. Companies and experts in nations that ratify the Convention will be placed on a roster of service providers. While America currently has a competitive advantage, that advantage will soon disappear if U.S. firms and experts are not on the convention-generated list. Our firms will then face the prospect of losing contracts to countries such as Spain, Portugal, Italy and Greece, who will provide technology based on what we have developed earlier.

Third, U.S. firms purchase millions of dollars of agricultural goods each year from developing nations. Products such as coffee, cocoa, cotton, cola nuts and spices are grown on dry or sub-humid lands facing the impact of desertification. Many consumers products we now use would cost more if the problem of desertification is not dealt with successfully. A morning cup of coffee surely would be more expensive—so would the chocolates given on Valentine's Day. The prices for items ranging from cooking oils or soft drinks also would rise.

Fourth, it is much cheaper to work with African nations to implement effective land management plans than to send millions to implement disjointed anti-desertification efforts and hundreds of millions more to provide humanitarian assistance to combat the effects of droughts and other natural catastrophes caused by desertification after they occur. Individual taxpayers and corporations certainly would appreciate a more cost-effective approach to this problem.

Finally, developing nations—particularly African nations—see this Convention as their major international initiative. The Convention was developed with the assistance of the United States Government. To date, all but Australia and the United States have ratified this Convention. U.S. failure to ratify this Convention will leave the United States Government, U.S. corporations and American experts out of the anti-desertification process. Moreover, it will poison our relations with African and other developing nations who believe non-ratification is a lack of support of their efforts to both deal with their problem and join global markets.

It is critical that the U.S. business community let the U.S. Senate know the importance we place on the ratification of the Convention to Combat Desertification. Potentially billions of dollars—and more importantly, millions of lives—depend on what the Senate does about this issue in the next few weeks.

PROPOSED DELAY IN FUNDING FOR THE NATIONAL INSTITUTES OF HEALTH

Mr. SARBANES. Mr. President, I rise today to express my serious concern that House and Senate negotiators have agreed to delay for one year almost all of the proposed increase in the National Institutes of Health (NIH) budget for FY 2000. I strongly disagree with this approach to balancing the budget. Fully funding biomedical research at the NIH should be one of our

highest priorities, and I intend to oppose proposals that would delay funding for the NIH or fail to provide sufficient funding to ensure continued advancement in the field of biomedical research.

The proposed delay in NIH's authority to use $7.5 billion of its FY 2000 funding will mean that no new grants could be made until the end of the fiscal year. Thus, a one-year freeze will be put on all new biomedical research. Moreover, some on-going grants will have to be short-funded. For those suffering from life-threatening diseases, a one-year delay could be devastating. We cannot imperil continued progress in an area as important as biomedical research.

As our Nation searches for ways to improve health care for all its citizens, the need to ensure stability and vitality in biomedical research programs is increasingly imperative. Biomedical research has fundamentally changed our approach to treating disease and illness and has revolutionized the practice of medicine. Through the NIH, the Federal government has been the single largest contributor to the recent advances made in biomedical research, and NIH research has played a major role in the key medical breakthroughs of our time.

Biomedical research at the NIH has also contributed significantly to the growth of this Nation's biotechnology, medical device, and pharmaceutical industries. Many of the new drugs and medical devices currently in use were developed based on biomedical research supported by the NIH. NIH research has paved the way for the development of pharmaceutical, biotechnology, and medical device industries that have created millions of high wage jobs.

The promise of continued breakthroughs in the eradication of disease and the overall improvement in public health are contingent upon our commitment to supporting our scientists and researchers with adequate tools and resources. However, today, only one of three approved research proposals can be funded.

We must maintain our commitment to achieving full funding for biomedical research by FY 2002. Last year, we provided NIH with a downpayment on the resources it will need to take full advantage of the overwhelming opportunities for scientific advancement currently available in the field of biomedical research. This year, again we started on the right track by including another fifteen percent increase in the NIH budget. However, the proposed one percent overall budget cut will have a dramatic impact on the grant-making capacity of the NIH. As a result of this cut, 500 to 550 fewer grants will be awarded by the NIH next year.

This most recent proposal to require that the NIH delay spending approximately $2 billion of its FY 2000 funding until FY 2001, essentially revokes the entire increase for next year and goes back on our promise to substantially increase NIH funding by 2002. This additional funding cut will disrupt and delay research fundamental to saving lives and improving public health. It will also critically undermine our progress toward securing a strong and stable funding stream needed to ensure continued advances in biomedical research.

The proposed delay in NIH funding for FY 2000 is unconscionable. I will oppose it, and I urge the President to veto any conference report that includes this proposal.

AGJOBS ACT OF 1999

Mr. CRAIG. Mr. President, I'm pleased to have joined Senators GORDON SMITH, BOB GRAHAM, MAX CLELAND, and several other colleagues this week in introducing S. 1814. This bill is a new, improved version of the Agricultural Job Opportunity, Benefits, and Security Act—or, as we call it, the ''AgJOBS'' bill.

We are facing a growing crisis—for both farm workers and growers.

We want and need a stable, predictable, legal work force in American agriculture.

Willing American workers deserve a system that puts them first in line for available jobs with fair, market wages. We want all workers to receive decent treatment and equal protection under the law.

Consumers deserve a safe, stable, domestic food supply.

American citizens and taxpayers deserve secure borders and a government that works.

Yet Americans are being threatened on all these counts, because of a growing labor shortage in agriculture, while the only program currently in place to respond, the H–2A Guest Worker Program, is profoundly broken.

Last year, the Senate adopted meaningful H–2A reform, on a bipartisan vote of 68–31. Unfortunately, that bipartisan floor amendment did not survive the last round of negotiations over the omnibus appropriations bill last year.

This year, the problem is only growing worse. Therefore, we are introducing a new, improved bill. The name of the bill says it all—''AgJOBS''.

Mr. President, our farm workers need this reform bill.

There is no debate about whether many—or most—farm wokers are aliens.

They are. And they will be, for the foreseeable future. The question is whether they will be here legally or illegally.

Immigrants not legally authorized to work in this country know they must work in hiding.

They cannot even claim basic legal rights and protections. They are vulnerable to predation and exploitation. They sometimes have been stuffed inhumanly into dangerously enclosed truck trailers and car trunks, in order to be transported, hidden from the view of the law.

In fact, they have been known to pay ''coyotes''—labor smugglers—$1,000 and more to be smuggled into this country.

In contrast, legal workers have legal protections.

They can assert wage, safety, and other legal protections. They can bargain openly and join unions. H–2A workers, in fact, are even guaranteed housing and transportation.

Clearly, the status quo is broken.

Domestic American workers simply are not being found to fill agricultural jobs.

Our own General Accounting Office has estimated that 600,000 farm workers—37 percent of the total 1.6 million agricultural work force—are not legally authorized to work in this country.

That estimate is low; it's based on self-disclosure by illegal workers to government interviewers.

Some actually have suggested that there is no labor shortage, because there are plenty of illegal workers. This is not an acceptable answer.

Congress has shown its commitment over the past few years to improve the security of our borders, both in the 1996 immigration law and in subsequent appropriations.

Between computerized checking by the Social Security Administration and audits and raids by the Immigration and Naturalization Service, more and more employers are discovering they have undocumented employees; and more and more workers here illegally are being discovered and evicted from their jobs.

Outside of H–2A, employers have no reliable assurance that their employees are legal.

It's worse than a Catch-22—the law actually punishes the employer who could be called ''too diligent'' in inquiring into the identification documents of prospective workers.

The H–2A status quo is slow, bureaucratic, and inflexible. It does nothing to recognize the uncertainties farmers face, from changes in the weather to global market demands.

The H–2A status quo is complicated and legalistic. DOL's compliance manual alone is 325 pages.

The current H–2A process is so hard to use, it will place only 34,000 legal guest workers this year—2 percent of the total agricultural work force.

Finally, the grower can't even count on his or her government to do its job.

The GAO has found that, in more than 40 percent of the cases in which employers filed H–2A applications at least 60 days before the date of need, the DOL missed statutory deadlines in processing them.

The solution we need is the AgJOBS Act of 1999.

Our new, improved AgJOBS bill includes three main parts:

First, it would create a national AgJOBS registry.

This new program would match willing workers anywhere in the U.S. with available farm work. Workers would be

free to work where they want and for whom they want.

Domestic American workers would be given first preference in job referrals. Once no domestic worker is available for a job, an ''adjusting'' worker could receive a referral. If no domestic or adjusting worker is available, an employer could then use the H–2A program.

This is essentially the same job registry as in last year's bill, expanded to accommodate the new category of adjusting workers.

Second, it includes much-needed reforms to the H–2A program.

Currently, red tape, regulation, and bureaucracy has rendered the H–2A program almost completely ineffective.

Our reformed H–2A program would expedite the process and more closely reflect market reality. Current red tape, delays, and paperwork would be reduced or eliminated. Growers would be assured of the timely availability of workers.

Employers still would be required to provide transportation in out of the U.S., as under the current H–2A program. Employers must provide either a housing allowance or actual housing to H–2A workers. After 3 years, actual housing would be required, unless the governor of a state certified a housing shortage. This is a more stringent housing requirement than last year's bill.

The premium wage guaranteed to H–2A workers—called the Adverse Economic Wage Rate or ''AEWR''—would be based more accurately on prevailing wage paid to similar workers in that area. This is similar to current law, but other jobs, those not closely related, would be excluded from the calculation of the AEWR. This simply would ensure that the AEWR more closely reflected prevailing wages for that particular type of work. In the case of low-wage jobs, a premium would be added to the wage. This would still mean H–2A wages higher than virtually all non-H–2A farm worker wages. In other words, current H–2A workers would still have significant wage protection, and virtually all new H–2A workers would get a raise.

Third, the bill creates a one-time-only new Category called ''Adjusting'' Workers.

Experienced farm workers who are already in the U.S. would be allowed to stay if:

—They have worked at least 150 days in agriculture in the 12 months before the October 27 introduction of this bill;

—They agree to work at least 180 days a year, only in agriculture, for at least 5 of the next 7 years; during this 5–7 year adjustment period, they would be in a temproary, non-immigrant status;

—They return to their home country at least 2 months a year (during the 5–7 year adjustment period. Those with U.S.-born children—i.e., children who were already U.S. citizens—could stay year-round, but must agree to work in agriculture 240 days/year.

''Adjusting'' workers would be earning the right to keep their jobs or move to other agricultural jobs. Eventually, they could earn the right to a so-called ''green card''—in other words, permanent residency.

For one moment, I want to mention, and then dispose of, the ''A-Word'':

This bill is not about amnesty, for several reasons. I have always been opposed to amnesty for illegal immigrants. If this were an amnesty bill, I'd be against it.

This bill is about workers who are already here, for employers who need them and value their services, earning a right to stay.

Amnesty is a gift; this bill is about earning a right. Amnesty means one is home free; this bill is about stabilizing the agricultural work force and conditions residency on a 5–7 year agreement to continue in farm work.

The level of documentation required to prove a worker already has been working in the U.S. is much stricter than for any past amnesty law.

In closing, Mr. President, this is win-win legislation.

It will elevate and protect the rights, working conditions, and safety of workers. It will help workers—first domestic American workers, then other workers already here, then foreign guest workers—find the jobs they want and need.

It will assure growers of a stable, legal supply of workers, within a program that recognizes market realities. The adjusted-worker provisions also will give growers one-time assistance in adjusting to the new labor market realities of the 21st Century.

It will assure all Americans of a safe, consistent, affordable food supply.

The nation needs the Smith-Graham-Craig-Cleland AgJOBS bill. I invite the rest of my colleagues to join us as cosponsors; and I urge the Senate and the House to act promptly to enact this legislation into law.

THE HUNGER RELIEF ACT OF 1999

Mr. KENNEDY. Mr. President, yesterday Senators SPECTER, LEAHY, JEFFORDS, and I introduced The Hunger Relief Act of 1999, S. 1805. Our goals in this legislation are to promote self-sufficiency and the transition from welfare to work, and to eradicate childhood hunger by increasing the availability of food stamps to low-income working families. Republicans and Democrats share these goals, and it deserves broad bipartisan support.

I ask unanimous consent that the full text of the bill and the statement of organizations supporting the bill be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

S. 1805

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 ''Hunger Relief Act of 1999''.

SEC. 2. RESTORATION OF FOOD STAMP BENEFITS FOR ALIENS.

(a) LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.—

(1) IN GENERAL.—Section 402(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)) is amended—

(A) in paragraph (2)—

(i) in subparagraph (A), by striking ''Federal programs'' and inserting ''Federal program'';

(ii) in subparagraph (D)—

(I) by striking clause (ii); and

(II) in clause (i)—

(aa) by striking ''(i) SSI.—'' and all that follows through ''paragraph (3)(A)'' and inserting the following:

''(i) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)'';

(bb) by redesignating subclauses (II) through (IV) as clauses (ii) through (iv) and indenting appropriately;

(cc) by striking ''subclause (I)'' each place it appears and inserting ''clause (i)''; and

(dd) in clause (iv) (as redesignated by item (bb)), by striking ''this clause'' and inserting ''this subparagraph'';

(iii) in subparagraph (E), by striking ''paragraph (3)(A) (relating to the supplemental security income program)'' and inserting ''paragraph (3)'';

(iv) in subparagraph (F);

(I) by striking ''Federal programs'' and inserting ''Federal program'';

(II) in clause (ii)(I)—

(aa) by striking ''(I) in the case of the specified Federal program described in paragraph (3)(A),''; and

(bb) by striking ''; and'' and inserting a period; and

(III) by striking subclause (II);

(v) in subparagraph (G), by striking ''Federal programs'' and inserting ''Federal program'';

(vi) in subparagraph (H), by striking ''paragraph (3)(A) (relating to the supplemental security income program)'' and inserting ''paragraph (3)''; and

(vii) by striking subparagraphs (I), (J), and (K); and

(B) in paragraph (3)—

(i) by striking ''means any'' and all that follows through ''The supplemental'' and inserting ''means the supplemental''; and

(ii) by striking subparagraph (B).

(2) CONFORMING AMENDMENT.—Section 402(b)(2)(F) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(F)) is amended by striking ''subsection (a)(3)(A)'' and inserting ''subsection (a)(3)''.

(b) FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.—Section 403 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613) is amended—

(1) in subsection (c)(2), by adding at the end the following:

''(L) Assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''; and

(2) in subsection (d)—

(A) by striking ''not apply'' and all that follows through ''(1) an individual'' and inserting ''not apply to an individual''; and

(B) by striking ''; or'' and all that follows through ''402(a)(3)(B)''.

(c) AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.—Section 422(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1632(b)) is amended by adding at the end the following:

''(8) Programs comparable to assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''.

(d) REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.—Section 423(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1183a note; Public Law 104–193) is amended by adding at the end the following:

''(12) Benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), if a sponsor is unable to make the reimbursement because the sponsor experiences hardship (including bankruptcy, disability, and indigence) or if the sponsor experiences severe circumstances beyond the control of the sponsor, as determined by the Secretary of Agriculture.''.

(e) DERIVATIVE ELIGIBILITY FOR BENEFITS.—Section 436 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1646) is repealed.

(f) APPLICATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall apply to assistance or benefits provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) for months beginning on or after October 1, 2001.

(2) REFUGEES AND ASYLEES.—In the case of an alien described in section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)), this section and the amendments made by this section shall apply to assistance or benefits provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) for months beginning on or after April 1, 2000.

SEC. 3. VEHICLE ALLOWANCE.

(a) IN GENERAL.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended—

(1) in subparagraph (B)(iv)—

(A) by striking ''subparagraph (C)'' and inserting ''subparagraphs (C) and (D)''; and

(B) by striking ''to the extent that'' and all that follows through the end of the clause and inserting ''to the extent that the fair market value of the vehicle exceeds $4,650; and''; and

(2) by adding at the end the following:

''(D) ALTERNATIVE VEHICLE ALLOWANCE.—If the vehicle allowance standards that a State agency uses to determine eligibility for assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) would result in a lower attribution of resources to certain households than under subparagraph (B)(iv), in lieu of applying subparagraph (B)(iv), the State agency may elect to apply the State vehicle allowance standards to all households that would incur a lower attribution of resources under the State vehicle allowance standards.''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on July 1, 2000.

SEC. 4. MAXIMUM AMOUNT OF EXCESS SHELTER EXPENSE DEDUCTION.

Section 5(e)(7)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)(B)) is amended by striking clauses (iii) and (iv) and inserting the following:

''(iii) for fiscal year 1999, $275, $478, $393, $334, and $203 per month, respectively;

''(iv) for fiscal year 2000, $280, $483, $398, $339, and $208 per month, respectively;

''(v) for fiscal year 2001, $340, $543, $458, $399, and $268 per month, respectively; and

''(vi) for fiscal year 2002 and each subsequent fiscal year, the applicable amount during the preceding fiscal year, as adjusted to reflect changes for the 12-month period ending the preceding November 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.''.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS FOR ADDITIONAL COMMODITIES UNDER EMERGENCY FOOD ASSISTANCE PROGRAM.

Section 214 of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7515) is amended by adding at the end the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—In addition to any other funds that are made available to carry out this section, there are authorized to be appropriated to purchase and make available additional commodities under this section $20,000,000 for each of fiscal years 2001 through 2005.

''(2) DIRECT EXPENSES.—Not less than 15 percent of the amount made available under paragraph (1) shall be used to pay direct expenses (as defined in section 204(a)(2)) incurred by emergency feeding organizations to distribute additional commodities to needy persons.''.

STATEMENT OF ORGANIZATIONS SUPPORTING THE HUNGER RELIEF ACT OF 1999

Our broad coalition of anti-hunger, immigrant, religious, labor, children's, elderly, and allied groups urges passage of the Kennedy-Specter Hunger Relief Act of 1999. This crucial legislation would help to address a serious problem plaguing millions of children and adults—widespread hunger and food insecurity.

The bill would target Food Stamp Program improvements to ensure more adequate nutrition assistance for at-risk groups, especially needy legal immigrants and low-income households with children, including working families and families with children with high shelter costs. It also would provide greater resources through The Emergency Food Assistance Program (TEFAP) for those families, children, and elderly turning to food pantries and other emergency feeding sites.

Recent studies confirm that, despite a strong overall economy, hunger and food insecurity are prevalent in communities across the country. While participation in the Food Stamp Program declined by more than seven million persons over the past three years, many working parents still struggle to feed their families. A July 1999 GAO study concludes, ''children's participation in the Food Stamp Program has dropped more sharply than the number of children living in poverty, indicating a growing gap between need and assistance.'' USDA has determined that 6.1 million adults and 3.3 million children lived in households which experienced hunger during 1998, and hunger rates are highest in households with children led by single women and minorities. An Urban Institute study of former welfare recipients finds that 33% have to skip or cut meals due to lack of food.

The toll hunger takes on individuals, families, and communities is serious. Children who lack adequate daily nutrition score lower on tests, miss school more often, have more disciplinary difficulties, and face increased health risks. Hunger diminishes adults' health and ability to concentrate as well. And hunger diminishes all of us as a society when we allow hunger in the midst of such affluence. Hunger has a cure and our nation must take steps to implement that cure.

This legislation takes several important steps in alleviating hunger. First, it builds on the bipartisan down payment the 1998 Agricultural Research Act made in restorations of benefits for needy legal immigrants. The Hunger Relief Act restores food stamp eligibility to all otherwise eligible legal immigrants. Among these are taxpayers working in low-income jobs, parents of young children, and elderly persons.

Second, the bill updates food stamp rules. Most low-income parents need a car to get to work, but families who own a vehicle worth more than $4,650 may be disqualified from receiving food stamps. This limit has risen only $150 since 1977, and is less than the amount that most states deem appropriate for allowing working parents to own a reliable car and still qualify for the Temporary Assistance for Needy Families (TANF) Program. The Hunger Relief Act allows states the option of using the same rules to count the value of a vehicle under both TANF and Food Stamp Programs.

Third, the bill helps low-income families with children with high shelter costs. In order to allow food stamp allotments to more accurately reflect actual household need, the Food Stamp Program takes into account a household's shelter expenses when determining the household's food stamp allotment. The program does this by allowing households to deduct shelter costs from their income. Current food stamp rules, however, cap the amount of shelter costs ($275 now, $300 starting in FY 2001) that non-elderly, non-disabled households may deduct, leaving many families with children forced to choose between heating and eating. The hunger Relief Act raises the food stamp shelter deduction cap to $320 per month over four years and then indexes it to inflation.

Fourth, the Hunger Relief Act bolsters TEFAP, which since 1983 has leveraged private and volunteer resources in communities across the country to meet short-term nutrition needs of families in crisis and provided an outlet for excess government-owned commodities. As many as one in ten Americans a year turn to the emergency feeding network. Last December the U.S. Conference of Mayors reported that requests for emergency food assistance had increased by an average of 14%, with 78% of the cities registering increases. According to a report released by America's Second Harvest in 1998, 39% of those who sought emergency food were employed, with half of those employed full-time. The private charitable sector cannot meet present needs alone. The Hunger Relief Act authorizes additional appropriations of $100 million over five years for commodity purchases and food distribution costs, approximately 10% more than present spending.

The Hunger Relief Act would make important progress in addressing hunger in America. Please add your voice to those leaders supporting the initiative.

NATIONAL ORGANIZATIONS

America's Second Harvest.
American Association of School Administrators.
American Ethical Union, Washington Ethical Action Office.
American Federation of State, County, and Municipal Employees (AFSCME).
American Federation of Teachers.
American Friends Service Committee.
American Jewish Committee.
American Network of Community Options and Resources.
American Protestant Health Alliance.
American School Food Service Association.
Americans for Democratic Action.
Asian & Pacific Island American Health Forum.
Bread for the World.
Catholic Charities, USA.
Center for Law and Social Policy.
Center for Women Policy Studies.
Children's Defense Fund.
Coalition on Human Needs.
Communications Workers of America.
Food and Allied Service Trades, AFL–CIO.
Food Research and Action Center.

Immigration and Refugee Services of America.
Jewish Council for Public Affairs.
Jewish Labor Committee.
Leadership Conference on Civil Rights.
Lutheran Immigration and Refugee Service.
Lutheran Office for Governmental Affairs, ELCA.
Lutheran Services in America.
MAZON: A Jewish Response to Hunger.
McCauley Institute.
Mennonite Central Committee U.S., Washington Office.
Migrant Legal Action Program.
National Asian Pacific American Legal Consortium.
National Association of Social Workers.
National Center for Youth Law.
National Center on Poverty Law.
National Coalition for the Homeless.
National Council of Churches.
National Council of La Raza.
National Council of Senior Citizens.
National Council of Women's Organizations.
National Federation of Filipino American Associations.
National Immigration Law Center.
National Korean American Service and Education Consortium.
National Urban League, Inc.
NETWORK, A National Catholic Social Justice Lobby.
Presbyterian Church (USA), Washington Office.
RESULTS.
Service Employees International Union.
The Childrenós Foundation.
The Episcopal Church.
Unitarian Universalist Association of Congregations.
UNITE.
United Auto Workers (UAW).
United Church of Christ, Office for Church in Society.
United Food and Commercial Workers Union.
United Jewish Communities.
United Methodist Church, General Board of Church and Society.
United States Catholic Conference.
U.S. Conference of Mayors.
Volunteers of America.
Welfare Law Center.
Women's International League for Peace and Freedom.
World Hunger Year.
World Relief National Immigration Resource Network.

Alabama

Alabama Coalition Against Hunger.
Alabama New South Coalition.
Bay Area Food Bank, Mobile.

Alaska

Catholic Social Services.
St. Francis House.

Arizona

Association of Arizona Food Bank.
Lutheran Advocacy Ministry in Arizona.
United Food Bank, Mesa.
Westside Food Bank, Sun City.
WHEAT (World Hunger Ecumenical Arizona Task Force.

Arkansas

Arkansas Hunger Coalition.
Food Bank of Northeast Arkansas, Jonesboro.

California

Alameda County Community Food Bank.
Asian and Pacific Islander Older Adults Task Force.
Asian Community Mental Health Services.
Asian Law Alliance.
Asian Pacific American Legal Center.
Blue Collar and South Los Angeles Housing Maintenance.
Organization for Women.
California Association of Food Banks.
California Emergency Foodlink.
California Food Policy Advocates.
California Immigrant Welfare Collaborative.
Center on Poverty Law and Economic Opporutnity.
Central American Resource Center.
Child Care Food Program Roundtable.
Clinica Para las Americas.
Coalition for Humane Immigrant Rights of Los Angeles.
Coalition to Abolish Slavery & Trafficking.
Community Food Bank, Fresno.
Desert Cities Hunger Action.
El Rescate Legal Services.
Employment Law Center/Legal Aid Society of San Francisco.
Filipino Ameican Service Group, Inc.
Foodbank of Santa Barbara County.
Food Share, Inc., Oxnard.
Fresno Metro Ministry.
Homeless Health Care Los Angeles.
Human Services Network of Los Angeles.
Jewish Community Relations Committee of The Jewish Federation of Greater Los Angeles.
Kids in Common.
Korean Resource Center.
LA's BEST After School Enrichment Program.
Los Angeles Coalition to End Hunger and Homelessness.
Los Angeles Regional Food Bank.
Marin Community Food Bank.
Mission San Jose Dominicans.
Northern California Coalition for Immigrant Rights.
Pico Union Westlake Cluster Network, Inc.
Plaza Community Center, Los Angeles.
Portals–South Central Opportunity Center.
Rakestraw Memorial Community Education Center.
Riverside County Department of Community Action.
Sacramento Hunger Commission.
Saint Margaretós Center, Catholic Charities of Los Angeles.
San Francisco Food Bank.
Second Harvest Food Bank of Orange County Senior.
Gleaners, Inc., North.
Highlands.
Sisters of the Holy Names, Justice and Peace Committee.
Sisters of the Holy Names, California Province.
Leadership.
Team.
Sisters of Saint Joseph Justice Office.
South Central Family Health Center.
The Lambda Letters Project.
Union Station Foundation.
Western Center on Law and Poverty.

Colorado

Colorado Refugee Services Program.
Community Food Share, Longmont.
Food Bank of the Rockies.
Immigrant Assistance Program.
Lutheran Office of Governmental Ministry.
Metro Caring.
Weld Food Bank.

Connecticut

End Hunger Connecticut.
Food Bank of Greater Hartford.
Hartford Food System.

Delaware

Food Bank of Delaware.
La Esperanza.

District of Columbia

Bread for the City and Zacchaeus Free Clinic.

Florida

Daily Bread Food Bank.
Florida Atlantic University Department of Social Work.
Florida Certified Organic Growers and Consumers, Inc.
Florida Immigrant Advocacy Center.
Florida Impact.
Harry Chapin Food Bank of Southwest Florida, Ft. Myers.
Lutheran Social Services of Northeast Florida, Jacksonville.
Mercy Migrant Education Ministry.
Second Harvest Food Bank of Northeastern Florida, Jacksonville.
Second Harvest Food Bank of the Big Bend, Tallahassee.

Georgia

Atlanta Community Food Bank.
Second Harvest Food Bank of Coastal Georgia, Savannah.

Hawaii

Sisters of St. Joseph, Hoomaluhia Community.
The Hawaii Food Bank, Inc.

Idaho

Idaho Foodbank Warehouse, Inc.

Illinois

Bethlehem Center Food Bank.
Chicago Anti-Hunger Federation.
Fund for Immigrants and Refugees.
Greater Chicago Food Depository.
Heartland Alliance for Human Needs and Human Rights.
Illinois Community Action Association.
Illinois Hunger Coalition.
Jewish Federation of Metropolitan Chicago.
Loaves and Fishes, Etc. Peoria Area Food Bank.
World Relief DuPage.

Indiana

North Central Indiana Food Bank, Inc., South Bend.
Proyecto Hispano (Mennonite Church).
Second Harvest Food Bank of Northwest Indiana, Gary.
Second Harvest Food Bank of East Central Indiana, Anderson.

Iowa

Cedar Valley Food Bank, Waterloo.
HACAP Food Reservoir, Cedar Rapids.
Iowa Coalition Against Domestic Violence.

Kansas

Campaign to End Childhood Hunger in Kansas.
Kansas Food Bank Warehouse, Inc.

Kentucky

Godós Pantry Food Bank, Inc.
Kentucky Hunger Task Force.

Louisiana

Bread for the World, New Orleans.
Food Bank of Central Louisiana, Alexandria.
Second Harvest Food Bank of Greater New Orleans.

Maine

Catholic Charities, Maine, Social Justice and Peace Services.
Good Shepard Food Bank, Lewiston.
Maine Association of Interdependent Neighborhoods.
Maine Center for Economic Policy.
Maine Coalition for Food Security.
Partners in Ending Hunger.
Roman Catholic Diocese of Portland.

Maryland

Baltimore Jewish Council.
Center for Poverty Solutions.
The Maryland Food Bank, Inc.

Massachusetts

Boston Department of Neighborhood Development.

Greater Boston Food Bank.
International Institute of Boston.
Massachusetts Citizens for Children and Youth.
Massachusetts Immigrant and Refugee Advocacy, Coalition.
Mass Law Reform Institute.
Project Bread.
The Food Bank of Western Massachusetts, Inc.
Worcester County Food Bank, Inc., Shrewsbury.

Michigan

Center for Civil Justice.
Detroit Food Security Council.
Food Bank of Eastern Michigan, Flint.
Food Bank of Oakland County, Pontiac.
Michigan Migrant Legal Assistance Project, Inc.
Second Harvest Gleaners Food Bank of Western Michigan, Inc., Grand Rapids.

Minnesota

Channel One Food Bank, Inc., Rochester.
Lutheran Coalition for Public Policy in Minnesota.
Minnesota FoodShare.
Second Harvest Food Bank of the Northern Lakes, Duluth.
Second Harvest Food Bank of Greater Minneapolis.

Mississippi

Mississippi Food Network.

Missouri

Citizens for Missouriós Children.
Harvesters—The Community Food Network, Kansas City.
Missouri Assn. For Social Welfare.
Ozarks Food Harvest, Springfield.
Second Harvest Food Bank of the Missouri-Kansas Region.
St. Louis Area Food Bank.

Montana

Gallatin Valley Food Bank.
Montana Food Bank Network.
Montana Hunger Coalition.

Nebraska

Nebraska Appleseed Center for Law in Public Interest

Nevada

Food Bank of Northern Nevada, Sparks.

New Hampshire

New Hampshire Food Bank.

New Jersey

Catholic Community Services.
Center for Food Action in New Jersey.
Central New Jersey Maternal & Child Health Consortium.
Community Food Bank of New Jersey, Hillside.
Food Bank of Monmouth and Ocean Counties, Spring Lake.
Food Bank of South Jersey.
Guadalupe Family Services.
Immigration and Refugee Services, Diocese of Trenton.
Lutheran Office of Governmental Ministry in New Jersey.
Mercer Street Friends.
Mexican American Unity Council, Inc.
New Jersey Immigration Policy Network, Inc.
North Hudson Community Action Corporation.
Sisters of Charity of Saint Elizabeth.
State Emergency Food and Anti-Hunger Network.
UNITE New Jersey Council.

New Mexico

Lutheran Office of Governmental Ministry.
New Mexico Advocates for Children & Families.
New Mexico Center on Law and Poverty.

New York

Boys and Girls Club of Rochester, Inc.
Cattaraugus Community Action, Salamanca.
Center for Constitutional Rights.
Community Food Resource Center.
Council of Senior Centers and Services of New York City, Inc.
Delaware Opportunities, Inc., Delhi.
Food Bank of Central New York, East Syracuse.
Food Bank of the Southern Tier, Elmira.
Food Bank of Western New York, Buffalo.
Food For Survival, Bronx.
Health and Welfare Council of Long Island.
Hunger Action Network of New York State.
Latino Commission on AIDS.
Long Island Cares, Inc.
New York Association for New Americans, Inc. (NYANA).
New York Immigration Coalition.
Niagara Community Action Program, Inc.
Nutrition Consortium of New York State.
Regional Food Bank of Northeastern New York, Latham.
SENSES: Statewide Emergency network for Social and Economic.
Security.
SSEC RAICES.
The Legal Aid Society.
Utica Citizens in Action.

North Carolina

Manna Food Bank, Inc., Asheville.
North Carolina Hunger Network.
Second Harvest Food Bank of Metrolina.
The Advocacy for the Poor, Inc.
University of North Carolina Department of Nutrition.

North Dakota

Great Plains Food Bank, Fargo.

Ohio

Association of Ohio Children's.
Corryville Family Resource Center, Friars Club.
Episcopal Public Policy Network—Ohio.
Hunger Network in Ohio.
Ohio Food Policy & Anti Poverty Action Center.
Ohio Hunger Task Force.
Ohio Urban Resources System (OURS).
Public Children Services Association of Ohio.
Second Harvest Food Bank of North Central Ohio, Amherst.
Shared Harvest Foodbank, Inc., Fairfield.
Southeastern Ohio Legal Services, Athens.

Oklahoma

Tulsa Community Food Bank.

Oregon

Carpenters Food bank, Portland.
Lutheran Advocacy Ministry of Oregon.
Oregon Center for Public Policy.
Oregon Food Bank.
Oregon Hunger Relief Task Force.

Pennsylvania

Community Food Warehouse, Farrell.
Greater Berks Food Bank, Reading.
Greater Philadelphia Coalition Against Hunger.
Greater Philadelphia Food Bank.
Greater Pittsburgh Community Food Bank.
Just Community Food Systems of South Central Pennsylvania, Gettysburg.
Just Harvest, Homestead.
Lutheran Advocacy Ministry in Pennsylvania.
Northside Common Ministries.
Pennsylvania Hunger Action Center.
Philabundance.
St. John's Organic Community Garden.
Second Harvest Food Bank of Lehigh Valley and Northeast Pennsylvania, Allentown.
SHARE Food Program, Inc.
South Central Pennsylvania Food Bank, Harrisburg.
H&J Weinberg Northeast Pennsylvania Regional Food Bank, Wilkes Barre.

Rhode Island

George Wiley Center and Campaign to Eliminate Childhood Poverty.
Rhode Island Community Food Bank.

South Carolina

South Carolina Appleseed Legal Justice Center.
South Carolina Committee Against Hunger.
South Carolina Department of Social Services.

South Dakota

Black Hills Regional Food Bank, Inc., Rapid City.
Second Harvest Food Bank of South Dakota, Sioux Falls.

Tennessee

MANNA.
Second Harvest Food Bank of East Tennessee, Knoxville.
Second Harvest Food Bank of Nashville.
Second Harvest Food Bank of Northeast Tennessee, Gray.
Tennessee Justice Center.

Texas

Center for Public Policy Priorities.
Community Food Bank of Victoria.
El Buen Samaritano.
Food Bank of Corpus Christi, Inc.
High Plains Food Bank, Amarillo.
Houston Immigration Policy Team.
Mexican American Unity Council, Inc.
North Texas Food Bank, Dallas.
Parish Social Ministry St. Maryós Cathedral.
Sisters of Charity of the Incarnate Word.
South Plains Food Bank, Lubbock.
Sustainable Food Center, Austin.
Tarrant Area Food Bank, Forth Worth, TX.
Texas Alliance for Human Needs.
Texas Council on Family Violence.
Texas Immigrant and Refugee Coalition.
Texas IMPACT.
The Houston Food Bank.
The Paulos Foundation, Fort Worth.
United Way of Texas.

Utah

Coalition of Religious Communities and Crossroads Urban.
Center, Salt Lake City.
Utahns Against Hunger.

Vermont

Vermont Campaign to End Childhood Hunger.
Vermont Food Bank, Inc.

Virginia

Blue Ridge Area Food Bank, Inc., Verona.
Food Bank of Southeastern Virginia.
Fredericksburg Area Food Bank.
Virginia Interfaith Center for Public Policy.
Virginia Poverty Law Center.

Washington

Children's Alliance Food Policy Center.
Food Lifeline, Shoreline.
Lutheran Public Policy Office of Washington.
Maple Valley Food Bank and Emergency Services.
Second Harvest Food Bank of the Inland Northwest, Spokane.
South Puget Sound Hispanic Chamber of Commerce (SPSHCC).
State Representative Kip Tokuda.
Washington Alliance for Immigrant and Refugee Justice.
Washington State Anti-Hunger Coalition.
Western Region Anti-Hunger Consortium (multi-state).

West Virginia

West Virginia Coalition on Food and Nutrition.

Wisconsin

Hunger Task Force of Milwaukee.
Lutheran Office for Public Policy in Wisconsin.

Wyoming

St. Markós Episcopal Church Food Closet.
Wyoming Childrenos Action.
The Benedictine Sisters of Perpetual Adoration, Dayton.

RACISM AGAINST AMERICAN INDIANS

Mr. CAMPBELL. Mr. President, I am compelled to raise a recent, shocking example of racism in South Dakota.

An Indian woman residing on the Rosebud Sioux Reservation in South Dakota came across an ''advertisement'' in the local newspaper that bore the heading ''State of South Dakota, Game Fish and Parks Department''. She sent me a copy of the ad along with her letter.

The ''ad,'' which resembles a run-of-the-mill hunting and fishing season announcement, was located in the editorial section of the newspaper. The ''ad'' went on to outline the rules for ''Indian Hunting Season'' in the State of South Dakota, including a limit on the number of Indians a ''hunter'' was allowed to kill and the approved methods for killing them.

I cannot express to you the anger and deep disappointment I felt when I read this ad because for those who think anti-Indian sentiment and feelings is a ''relic of the past,'' I urge them to read this product of a twisted and hateful mind.

At the turn of the millennium in the greatest nation on Earth, there are pockets of hate that continue to thrive. After my tenure in Congress, I know full well the limits of government. I know we can pass no law forcing people to respect each other or forcing them to be tolerant. But this ad goes beyond mere hurtful words and actually advocates murder, and I condemn it in the strongest possible terms.

As chairman of the Committee on Indian Affairs, an enrolled member of the Northern Cheyenne Tribe of Montana, and as an American, I am embarrassed and outraged at the same time. This is shameful.

Indian children are most affected by this kind of bile. They hear these hate-filled expressions in school, in public places like shopping malls and grocery stores, and they start to believe they are worthless, and they eventually stop trying to become or achieve anything. Many commit suicide. This is ongoing.

In a few days, the Nation will honor the contributions of generations of Native Americans by dedicating the month of November, 1999, as ''American Indian Heritage Month''.

Native people have fought and died for this country in every war from the Revolutionary War to WWII to Vietnam to the ongoing missions around the world.

Yet, as this ad shows, Indians are still targeted by these expressions of hate.

I condemn this and every instance of discrimination and hatred against any American—red, black, white or yellow—and call on my colleagues to do the same.

I ask unanimous consent to have a copy of the newspaper ad printed in the RECORD.

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

[From the Sicangu Sun Times, Oct. 15, 1999]

CAUTION: RACIST MATERIAL

State of South Dakota

Game, Fish and Parks Department, Pierre, SD, (605) 224–0000

PROCLAMATION

RE: Indian Hunting Season hunting fees: Free to first 7,683 hunters/$1.00 thereon.

Dear South Dakota Hunters: The 1999 Big Game hunting season in the State of South Dakota has been canceled due to shortages of Deer, Turkey, Elk and Antelope. However, this does not mean there will be no hunting. In the place of the big game animals this year we will have open season on the Sioux Reservations. This will entail the hunting of Americans Worthless Siounis Pyutus, commonly known as ''Worthless Red Bastards,'' ''Dog Eaters,'' ''Gut Eaters,'' ''Prairie Niggers'' and ''F--- Indians.'' This year from 1999–2000 will be an open season, as the f--- Indians must be thinned out every two to three years.

It will be unlawful to: Hunt in a party of more that 150 persons. Use more than 35 bloodthirsty, rabid hunting dogs. Shoot in a public tavern (Bullet may ricochet and hit civilized white people). Shoot an Indian sleeping on the sidewalk.

Trapping regulations: Traps may not be set within 15 feet of a liquor store. Traps may not be baited with Muscatel, Lysol, rubbing alcohol or food stamps. All traps must have at least 120 lb. spring strength and have a jaw spread of at least 5′3″.

Other rules and regulations: Shooting length-wise in a welfare line is prohibited. It will be unlawful to possess a road-kill Indian, however, special road-kill permits shall be issued to people with semi-tractor trailers and one-ton pickup trucks. With such a permit you may bait the highway with Muscatel, Lysol, rubbing alcohol or food stamps.

How to know when an Indian is in your area: Disposable diapers litter the street. Large lines in front of the welfare office and for free cheese. Trails of empty wine bottles leading from the city parks to all city alleys. Empty books of food stamps thrown all over. Car-loads of Indian children waiting outside liquor stores.

Remember Limit is ten (10) per day. Possession of limit: Forty (40). Good Hunting!

Editor's Note: The flyer above is similar to one found in other states. In the last couple of years, they began cropping up in South Dakota and Nebraska. Varying versions can also be found on the Internet. Such sentiments have helped fuel tension between Indians and whites in the last year, say Indian leaders. State government officials have denied that the flyers originated in any of their departments.

DRUG COURT REAUTHORIZATION AND IMPROVEMENT ACT OF 1999

Mr. BIDEN. Mr. President, Congress created drug courts 5 years ago in the 1994 crime law as a cost-effective, innovative way to deal with nonviolent offenders in need of drug treatment. Though authorization for this program was repealed just two years later, we wisely continued to fund this program. I am pleased to join with Senator SPECTER today to cosponsor the ''Drug Court Reauthorization and Improvement Act of 1999.''

In just 5 years, drug courts have taken off. There are 412 drug courts currently operating in all 50 States plus the District of Columbia, Guam, Puerto Rico, and two Federal districts. An additional 280 courts are being planned.

Let me tell you why I am such an advocate for these courts. Drug courts are as much about fighting crime as they are about reducing dependence on illegal drugs.

Our Nation has about 3.2 million offenders on probation today. They stay on probation for about 2 years. Throughout those 2 years, they are subject to little, if any, supervision.

For example, almost 300,000 of these probationers had absolutely no contact with their probation officer in the past month—not in person, not over the phone, not even through the mail—none!

Drug Courts fill this ''supervision gap'' with regular drug testing, with the offender actually coming before a judge twice a week, and actually seeing a probation officer or treatment professional three times a week.

Nearly 100,000 people have entered drug court programs and the results have been impressive. About 70 percent of the drug court program participants have either stayed in the program or completed it successfully. That is more than twice the retention rate of most traditional treatment programs.

The other 30 percent of the participants went to jail. And I think that should be heralded as a success of the drug court program as well. Without drug courts, this 30 percent would have been unsupervised, not monitored, and unless they happened to be unlucky enough to use drugs or commit a crime near a police officer, they would still be on the streets abusing drugs and committing crimes. Drug courts provide the oversight to make sure that does not happen.

The Specter-Biden reauthorization bill calls for fully funding drug courts at the level the Attorney General and I called for in the 1994 crime law—- $200 million. Drug courts are effective and cost effective. Let's spend our money wisely and invest in what works.

There are a number of jurisdictions that want to open or expand their drug courts but are unable to do so because of lack of treatment capacity. We always talk about devolving power to State and local government. Let's put our money where our mouth is and give these jurisdictions the funds they need. The Specter-Biden reauthorization act includes $75 million a year to expand local treatment capacity so that no community that wants to start or expand a drug court is precluded from doing so due to lack of treatment slots.

Make no mistake, participating in the drug court program is not a walk in the park. If you use drugs while in the program, you go to jail. Period.

Rather than just churning people through the revolving door of the criminal justice system, drug courts help these folks to get their acts together so they won't be back. When they graduate from drug court programs they are clean and sober and more prepared to participate in society. In order to graduate, they are required to finish high school or obtain a GED, hold down a job, and keep up with financial obligations including drug court fees and child support payments. They are also required to have a sponsor who will keep them on track.

This program works. And that is not just my opinion. Columbia University's National Center on Addiction and Substance Abuse found that these courts are effective at taking offenders with little previous treatment history and keeping them in treatment; that they provide closer supervision than other community programs to which the offenders could be assigned; that they reduce crime; and that they are cost-effective.

According to the Department of Justice, drug courts save at least $5,000 per offender each year in prison costs alone. That says nothing of the cost savings associated with future crime prevention. Just as important, scarce prison beds are freed up for violent criminals.

I have saved what may be the most important statistic for last. Two-thirds of drug court participants are parents of young children. After getting sober through the coerced treatment mandated by the court, many of these individuals are able to be real parents again. More than 500 drug-free babies have been born to female drug court participants, a sizable victory for society and the budget alike.

Let me close by saying I hope the Senate takes up this legislation as soon as possible so we can reauthorize this important, effective program.

PAYNE STEWART TRIBUTE

Mr. ASHCROFT. Mr. President, Monday was a tragic day for golf fans across the country, and especially for folks in my home town of Springfield, MO—the town where pro golfer Payne Stewart was born and raised. Today, we mourn the loss of Payne, who lost his life Monday in a plane crash. I rise to express my sympathy to Payne's family and loved ones, and to the families of the other individuals who lost their lives Monday: Robert Fraley, Van Ardan, Michael King, and Stephanie Bellegarrigue.

I would also like to take a moment to remember Payne Stewart, a man whose personality, talents, and faith are an inspiration to us.

From his early years, Payne distinguished himself as not only a golfer, but as an all-around athlete. One of my staff members from Springfield remembers tagging along as a six year-old little sister with her father, her brother, Payne, and his father on a road trip to Kansas City, where the boys competed in the state's annual Pass, Punt, and Kick contest. She also recalls the countless hours her brother was gone during the summers, playing golf—often times with Payne.

In high school, Payne excelled as an athlete in football, basketball, and of course, golf, at Greenwood High School, where he graduated in 1975. Payne then attended Southern Methodist University, where he won the Southwestern Conference Golf Championship and was named an All-American.

Payne turned professional in 1981 and embarked upon what would be a highly successful career.

Payne's flare for style and individualism soon made him one of the most recognizable golfers on the PGA tour, with his now-trademark knickers, long colorful socks, and coordinating hat.

But Payne's attire on the golf course was not the only thing that distinguished him among his colleagues. Overall, Payne won 11 PGA Tour titles, including three major championships: the PGA in 1989, the U.S. Open in 1991, and the U.S. Open again in June of this year. He was on five Ryder Cup teams and won three consecutive Skins Games. He was inducted into the Missouri Sports Hall of Fame earlier this year.

In what is now known as his final U.S. Open appearance, Stewart finished his last U.S. Open round by sinking the longest winning putt ever to win the most heralded American tournament. While Stewart always will be remembered for this clutch putt to win the 1999 U.S. Open, what he did one month later during the Ryder Cup competition speaks to his character. After a miraculous final day comeback by the American team, Stewart's opponent, Colin Montgomerie, faced a ten foot putt to win the individual match on the final hole. Although the American team already had assured itself a victory, a tie with Europe's top player would have been a tremendous individual feat for Stewart. Instead of making Montgomerie attempt the putt, Stewart told his opponent to ''pick it up,'' conceding the putt and ensuring his own defeat. Stewart's justification for his action was that Montgomerie had been heckled all day by the American fans and he did not want to put his opponent through that if he missed.

Payne Stewart, who became a world-famous golfer, continued to be a hometown boy from the Ozarks after his success. Although Orlando had become his official home, Payne still liked to come back home to Springfield to spend time with family and friends. Those close to him say that when he came home, Payne didn't act like a celebrity, but rather more like ''everyday people.''

There are many words that have been used to describe Payne Stewart. Fun-loving and generous. Highly competitive. Yet Payne was also very much of a family man.

Payne was always close to his father, Bill. The father and son tandem shared the unique distinction of winning dual amateur championships, the Missouri Amateur and the Missouri Senior Amateur in 1979. After his father had died of cancer in1985, Payne donated his entire $108,000 in winnings from the 1987 Bay Hill Classic to a Florida hospital. Mr. President, I, too, had a father who had a major impact on my life, and I was touched by the reflections I heard Payne share about his father.

Payne was also recently described by the Springfield News-Leader as the ''consummate family man who was as thrilled with picking up daughter Chelsea [13] and son Aaron [10] from school, or shuttling them back and forth to ball games, activities, etc., as he was picking up a first-place check.'' Friends say that Payne believed that family time with his children and his wife Tracey was the most important thing in his life, even if it meant canceling a tournament appearance.

In the last year or so, Payne Stewart characterized himself as an increasingly religious man. He said that watching his children grow up further strengthened his faith. Payne also attributed his success to his faith. In fact, he publicly credited this faith with giving him the strength to sink the winning 15-foot putt at this year's U.S. Open this June. A close friend, reflecting Monday on Payne's death, said, ''Later on, coming to know the Lord, he was attributing his success, his talents and his blessing—he attributed it all and gave glory to Jesus Christ.''

Mr. President, while it is painful to see someone in the prime of his career have his life cut short by tragedy, it is also encouraging to remember someone whose life has inspired us—through both his talents as a golf champion and through his commitment to faith and family. Today we remember Payne Stewart—a local hero from the Ozarks—a champion and a competitor, and we convey our thoughts and prayers to his family and loved ones during this time of grief. I also want to express condolences to the families and friends of those who perished with Payne, Robert Fraley, Van Ardan, Michael King, and Stephanie Bellegarrigue.

NEW YORK YANKEES WINNING THE WORLD SERIES

Mr. MOYNIHAN. Mr. President, I rise today to honor the New York Yankees on the occasion of their victory in Major League Baseball's World Series last night. In front of 56,752 fans, the Yankees defeated the Atlanta Braves 4–1 and clinched a series sweep in this best of seven series. Fittingly, ''The Team of the Millennium'' has staked its claim as the best franchise in the 1990's.

As the season began, few seers in the sports world could have foretold the indelible mark this team would leave behind. The adversity these young men faced would have folded a team of lesser character. Their stalwart manager Joe Torre began the year in a hospital room rather than in the dugout as he battled prostate cancer. Teammates Paul O'Neill, Luis Sojo, and Scott Brosius all lost their fathers during the past season. In addition, the Yankee family was struck by the passing of baseball legends, Joe DiMaggio and Jim ''Catfish'' Hunter. Yet this team endured and reached its goal, giving New York an unfathomable 25th World Championship.

For the past two seasons—and three of the last four—we have seen the Yankees go to the World Series. They emerged victorious after the minimum of four straight wins on both occasions. Starting pitchers David Cone, Orlando Hernandez, and Roger Clemens held the Braves to a meager six hits and two runs in 21⅔ innings. Reliever Mariano Rivera had saves in Games One and Two and won Game Three on his way to becoming the Series Most Valuable Player. Offensively, the team had Derek Jeter and Chuck Knoblauch getting on base, and Chad Curtis came off the bench to hit two home runs in Game Three, with the second coming in the bottom of the 10th, sealing the victory for the Bronx Bombers.

All in all, this team put forth admirable effort coupled with unmatched talent. This victory is a truly epochal moment that brings joy to the hearts of Yankee fans everywhere. An editorial appearing in today's New York Times puts it best, ''We are all fans now.'' In closing I would like to offer a possible slogan for next year's team: Thrice would be nice.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

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

[From the New York Times, Oct. 29, 1999]

THE YANKEES WIN

Maturity in sports has many looks, but right now it looks like the New York Yankees, who won their 25th World Series last night against the Atlanta Braves. Clearly, the Yankees were able to dominate the Braves, whom they swept, but just as clearly they were able to dominate themselves and their own fortunes. Patience is a word that has been much used around the Yankees dugout this season, and what it means is a privileged manner of looking at baseball. What this team seems to see is not a game where one event cascades into another as the innings slip by, the past steadily commandeering the present. To this team baseball looks like a game of constant renewal, with each pitch, each batter, each defensive out.

Baseball is, if anything, too rich in the grand themes, especially during a World Series. You expect television to turn grandeur into grandiosity, and it does. But a kind of triumphalism thrives at Yankee Stadium too, where the World Series pregame soundtrack included the theme from ''Star Wars'' and the ''1812 Overture.'' But that mood is meant for the fans, not the players. There is a difference between destiny and opportunity, and the 1999 Yankees know it. They will take opportunity every time, and in this Series, take it they have.

It is easy, in the high-wattage glare of a Series game, to lose sight of the fact that baseball, even at Yankee Stadium, can still have a pleasantly smalltown feel to it. Kofi Annan, mayor of the world if not the city, throws out the first pitch in New York, which bounces halfway to the plate. Marching bands from South Jersey assemble on the warning track—the outfield grass remaining inviolate—and play ''Gimme Some Lovin'' and ''Louie, Louie.'' The notes of all the instruments, except the base drums, gust away into the evening, just as they would at a local homecoming game. Hand-lettered signs rise in the stands—''Dripping Springs, Texas, Loves the Yankees''—and the stadium sparkles with camera flashes going off, snapshots of a vortex where a batter steps up to the plate.

The fans roar with emphatic, if imprecise, knowledge. They call balls and strikes from a mile away. The air is barbed with advice, with schoolyard taunts, and then with the exultation of the moment. The emotion so latent in the players, so overt in the fans, gives way at the final out, and at last, in the rejoicing, there is no distinction between players and fans. We are all fans now.

PRESIDENT'S VETO OF THE FOREIGN OPERATIONS APPROPRIATIONS BILL

Mr. ASHCROFT. Mr. President, a lack of leadership from the administration is responsible for the present difficulty in reaching an agreement on the foreign operations appropriations bill. The President says he vetoed the bill over low levels of foreign assistance in general and a lack of funding for the Wye Accord specifically. The Administration did not exert the leadership needed to secure the Wye funding, however, and did not work with Congress to find a way to provide this critical assistance to Israel, Jordan, and the Palestinians without raiding the Social Security surplus. I am a strong supporter of funding the Wye Accord if the money can be found without using Social Security surplus funds. The President should make Wye funding the priority it should be and find the money somewhere in the budget.

The lack of leadership from the administration in providing for our allies and interests in the Middle East already has had real costs, however. The President's veto of the foreign operation appropriations bill on October 18, 1999 sends a disturbing signal that our foreign policy is being held hostage to the domestic budget politics of the administration. While the President's veto was the wrong step for U.S. foreign policy around the world, the administration's rejection of the bill is particularly troubling for U.S. policy in the Middle East and strategic allies such as Israel.

The foreign operations bill passed by Congress contains $960 million in economic assistance and $1.9 billion in military assistance for Israel. The foreign operations bill also contains over $2 billion in assistance to Egypt and $225 million in aid to Jordan, both important countries in the peace process. The provision of such assistance to Israel is critically important at this juncture of the peace process, and it troubles me that the administration did not lay the groundwork for an acceptable foreign assistance package. The government of Prime Minister Ehud Barak has stated its intention to complete final status negotiations within one year. Many difficult issues must be resolved for a final settlement to be reached. Jerusalem, refugees, and water rights are just several of the monumental issues that will be topic of negotiations between Israel and the Palestinians.

It is my hope that the administration will support Israel more forcefully during these negotiations, including a clear statement of U.S. policy that Jerusalem is and should remain Israel's undivided capital. As final status negotiations proceed, the United States should defend Israel against diplomatic ambushes in international fora such as the United Nations. An unequivocal U.S. position in support of Israel in the coming months will be essential to achieve a sustainable peace settlement.

Also at stake is a potential peace settlement with Syria. I trust that Prime Minister Barak will not make territorial concessions in the Golan Heights that will jeopardize Israel's security. As a former military chief of staff, Prime Minister Barak is well aware of the security implications associated with relinquishing territory in the Golan. Any Israeli withdrawal from the Golan Heights should be met with the most reliable assurances from Syria that its hostility toward Israel and support for terrorism will cease. For the peace to be sustainable, however, and Israel-Syrian settlement will have to be based on more than words. Israel will have to be able to defend itself, and continued provision of annual U.S. military assistance is an integral part of that process.

With all that is at stake right now in the peace process, it is difficult for me to understand why the administration has not worked closely with Congress to ensure that vital assistance is provided to Irasel in a timely fashion. Mr. President, it is my hope that the administration will demonstrate better leadership in supporting Israel as the peace process enters this critical year.

HIGH SPEED RAIL INVESTMENT ACT

Mr. KERRY. Mr. President, let me begin by congratulating Senator LAUTENBERG for developing this important piece of legislation that recognizes the importance of rail in our overall transportation system as we approach the 21st century.

I am proud to be an original cosponsor of the High Speed Rail Investment Act, which will provide Amtrak with

much needed resources to pay for high speed rail corridors across the country. This legislation is crucial for the country, and for my home State of Massachusetts, and I am hopeful we can move it quickly through Congress.

This bill will give Amtrak the authority to sell $10 billion in bonds over the next 10 years to finance high speed rail. Instead of interest payments, the Federal Government would provide tax credits to bondholders. Amtrak would repay the principal on the bonds after 10 years, however, the payments would come primarily from required state matching funds. I know many states will gladly participate in this matching program, as their Governors and State legislatures are eager to promote high speed rail. Amtrak would be authorized to invest this money solely for upgrading existing lines to high speed rail, constructing new high speed rail lines, purchasing high speed rail equipment, eliminating or improving grade crossings, and for capital upgrades to existing high speed rail corridors.

Let there be no mistake, this country needs to develop a comprehensive national transportation policy for the 21st century. So far, Congress has failed to address this vital issue. What we have is an ad hoc, disjointed policy that focuses on roads and air to the detriment of rail. We need to look at all of these modes of transportation to alleviate congestion and delays on the ground and in the sky and to move people across this country efficiently. Failing to do this will hamper economic growth and harm the environment.

Despite rail's proven safety, efficiency and reliability in Europe and Japan, and also in the Northeast corridor here in the United States, passenger rail is severely underfunded. We need to include rail into the transportation mix. We need more transportation choices and this bill helps to provide them.

In the Northeast corridor, Amtrak is well on its way to implementing high speed rail service. The high speed Acela service should start running in January. This will be extremely helpful in my home State of Massachusetts, where airport and highway congestion often reach frustrating levels. The more miles that are traveled on Amtrak, the fewer trips taken on crowded highways and skyways.

But new service in the Northeast corridor is only the beginning. We need to establish rail as a primary mode of transportation along with air and highways. This bill will help us achieve that goal across the country and I am proud to be an original cosponsor of such an important piece of legislation.

NATIONAL CHILDHOOD LEAD POISONING PREVENTION WEEK

Mr. TORRICELLI. Mr. President, I rise today in observance of ''National Childhood Lead Poisoning Prevention Week'' to highlight the problem of childhood lead poisoning and the deficiencies within the current system of detection and prevention.

Lead poisoning is the number one environmental health hazard to our children, despite a ban on the manufacture of lead paint and efforts to remove lead from gasoline and dietary sources. It is estimated that 800,000 children today suffer from elevated lead levels. Lead poisoning attacks a child's nervous system, impairing physical, mental, and behavioral development. Extreme exposure can cause seizures, brain damage, comas, and even death. And, inadequate diet and exposure to environmental hazards such as old housing make the threat greatest for those who possess the fewest resources to confront it—our nation's poor children.

This is why in 1992 Congress required states to test every Medicaid recipient under age two for lead poisoning. Mandatory screening would enable the highest-risk children to be tested and treated before lead poisoning impairs their development. However, many Medicaid providers are not conducting the required screening. A recent GAO study found that two-thirds of the children on Medicaid have never been screened for lead. In New Jersey, only 39% of children covered by Medicaid are tested.

A report issued this past summer from the Alliance to End Childhood Lead Poisoning and the National Center for Lead-Safe Housing provides new information regarding the extent of this problem. This report, a state-by-state analysis of follow-up care provided to lead-poisoned children, found that only 29 states have standards for how to care for lead-poisoned children. The report also found that only 35 states have developed specific strategies for investigating lead hazards in poisoned children's homes. And, 22 states reported that they lack the necessary funding to make a home safe for a lead-poisoned child.

This report presents compelling evidence in support of legislation, S.1120, the Children's Lead SAFE Act of 1999, introduced by Senator REED and myself to strengthen lead screening policy. This legislation would ensure that every federal program which serves at risk kids is involved in the lead screening process. Our bill would require WIC and Head Start centers to determine if a child has been tested and ensure testing for those children who have not. As 75% of at-risk children are enrolled in federal health care programs, this would ensure that no child is overlooked.

Secondly, the Children's Lead SAFE Act of 1999 would guarantee that Medicaid contracts explicitly require health care providers to adhere to federal rules for screening and treatment. Currently, many states are having Medicaid services provided by health maintenance organizations (HMO's). These HMO's, however, either are not conducting the required lead screening tests or are only conducting one of two required tests. This legislation would effectively stop this corner cutting. Our bill would also ensure that states and federal agencies have the resources and incentives to complete mandatory screening by requiring Medicaid to reimburse WIC and Head Start for screening costs. We must create a bonus program that rewards states who screen more than 65% of their Medicaid population.

But additional testing is only a first step. Our legislation would also focus on prevention by reducing the sources of poisoning and provide for follow-up care for those children identified as at-risk. This includes expanding Medicaid coverage to include treatment for lead poisoning and for environmental investigations to determine its sources.

I am extremely pleased to tell my colleagues that in response to the efforts of the Senator from Rhode Island and myself, the Department of Health and Human Services has initiated some important steps to address the problem. Their efforts include ensuring that state Medicaid agencies comply with existing Medicaid policies requiring lead screening and requiring states to report the number of children under age six screened for lead poisoning. These measures will help us to better understand the problem and how to respond to it.

However, enhancing screening and identifying children exposed to lead is only the first step. Identification must be followed with treatment and abatement, including controlling the source of lead poisoning. For example, my own state of New Jersey has made great efforts in the area of abatement. Specifically, New Jersey requires the renovation and maintenance of older housing as well as mandating landlords to periodically test for lead. New Jersey has also initiated statewide programs to educate families on how to find and eliminate lead sources from their homes.

Similarly, on the federal level, the Department of Housing and Urban Development provides grants to states and local governments to reduce lead hazards in housing. Yet, for every application, there are nine that go unfunded. This year, the House tried to cut funding for this program by $10 million. Although conferees ultimately restored funding equal to the President's request, this attempt demonstrates the need to provide greater awareness of the need for lead prevention efforts.

As the Alliance report suggests, there is more every state must do and there is clearly more the federal government can do to protect lead-poisoned children. I encourage my colleagues to examine the Alliance report and learn about what can be done in your states to improve lead poisoning treatment and prevention efforts. Finally, I would encourage Senator ROTH and Senator JEFFORDS to begin hearings not only on our legislation but also on this issue. In 1992, Congress

made a commitment to improving our children's health by reducing the prevalence of childhood lead poisoning and improving treatment. I urge my colleagues to join Senator REED and myself in fulfilling this commitment.

MESSAGES FROM THE HOUSE

At 1:48 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 2260. An act to amend the Controlled Substances Act to promote pain management and palliative care without permitting assisted suicide and euthanasia, and for other purposes.

H.J.Res. 73. Joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following bills:

S. 437. An act to designate the United States courthouse under construction at 333 Las Vegas Boulevard South in Las Vegas, Nevada, as the ''Lloyd D. Georges United States Courthouse.''

S. 1652. An act to designate the Old Executive Office Building located at 17th Street and Pennsylvania Avenue, NW, in Washington, District of Columbia, as the ''Dwight D. Eisenhower Executive Office Building.''

The enrolled bills were signed subsequently by President pro tempore (Mr. THURMOND).

At 5:58 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3064) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on October 28, 1999, he had presented to the President of the United States, the following enrolled bills:

S. 437. An act to designate the United States courthouse under construction at 333 Las Vegas Boulevard South in Las Vegas, Nevada, as the ''Lloyd D. Georges United States Courthouse.''

S. 1652. An act to designate the Old Executive Office Building located at 17th Street and Pennsylvania Avenue NW, in Washington, District of Columbia, as the ''Dwight D. Eisenhower Executive Office Building.''

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–5889. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to notification of a proposed approval for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to the United Arab Emirates; to the Committee on Foreign Relations.

EC–5890. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Canada; to the Committee on Foreign Relations.

EC–5891. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $14,000,000 or more to the Republic of Korea; to the Committee on Foreign Relations.

EC–5892. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with South Africa and Canada; to the Committee on Foreign Relations.

EC–5893. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with the Netherlands; to the Committee on Foreign Relations.

EC–5894. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with Turkey; to the Committee on Foreign Relations.

EC–5895. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with the United Kingdom; to the Committee on Foreign Relations.

EC–5896. A communication from the Executive Director, Japan-United States Friendship Commission, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–5897. A communication from the General Counsel, National Credit Union Administration, transmitting, pursuant to law, the report of a rule entitled ''12 CFR Parts 701, 703, 704, 709, 712, 713, 723, 790, 791, and 792'', received October 27, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–5898. A communication from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Sudanese Sanctions Regulations: Libyan Sanctions Regulations; Iranian Transactions Regulations; Licensing of Commercial Sales, Exportation and Reexportation of Agricultural Commodities and Products, Medicine, and Medical Equipment; Iranian Accounts on the Books of U.S. Depository Institutions; Informational Materials; Visas'' (31 CFR Parts 538, 550 and 560), received October 27, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–5899. A communication from the Assistant General Counsel for Regulations, Office of Student Financial Assistance, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Final Regulations—Federal Perkins Loan Program and Federal Family Education Loan Program'', received October 20, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–5900. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Extension of Announcement 99–5'' (Announcement 99–106), received October 27, 1999; to the Committee on Finance.

EC–5901. A communication from the Assistant Secretary, Water and Science, Bureau of Reclamation, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Offstream Storage of Colorado River Water and Development and Release of Intentionally Created Unused Apportionment in the Lower Division States'' (RIN1006–AA40), received October 27, 1999; to the Committee on Energy and Natural Resources.

EC–5902. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Maintenance Plan Revisions; Ohio'' (FRL #6464–5), received October 26, 1999; to the Committee on Environment and Public Works.

EC–5903. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of State Implementation Plans; Minnesota'' (FRL #6465–4), received October 26, 1999; to the Committee on Environment and Public Works.

EC–5904. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of State Implementation Plans; Minnesota'' (FRL #6465–3), received October 26, 1999; to the Committee on Environment and Public Works.

EC–5905. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval of Delegation of the Accidental Release Prevention Requirements: Risk Management Programs Under Clean Air Act Section 112(r)(7): State of Ohio'' (FRL #6465–7), received October 26, 1999; to the Committee on Environment and Public Works.

EC–5906. A communication from the Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Programs to Help Develop Foreign Markets for Agricultural Commodities (Foreign Market Development Cooperator Program)'' (RIN0551–AA26), received October 27, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5907. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Tomatoes Grown in Florida; Decreased Assessment Rate'' (Docket No. FV99–966–1 IFR), received October 27, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5908. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs,

Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Refrigeration Requirements for Shell Eggs'' (Docket No. PY99–002), received October 27, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5909. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Walnuts Grown in California; Decreased Assessment Rate'' (Docket No. FV99–984–3–IFR), received October 27, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5910. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Domestically Produced and Imported Peanuts; Change in the Maximum Percentage of Foreign Material Allowed Under Quality Requirements'' (Docket Nos. FV99–997–2–IFR, FV99–998–1–IFR and FV99–999–1–IFR), received October 27, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5911. A communication from the Congressional Review Coordinator, Regulatory Analysis and Development, Policy and Program Development, Animal and Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Imported Fire Ant; Approved Treatments'' (Docket #99–027–2), received October 27, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5912. A communication from the Office of Protected Resources, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Regulations Governing the Taking of Marine Mammals by Alaskan Natives; Marking and Reporting of Beluga Whales Harvested in Cook Inlet; Final Rule'' (RIN0648–AM57), received October 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5913. A communication from the Deputy Assistant Administrator for Fisheries, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Northeast United States; Amendment 12 to the Summer Flounder, Scup, and Black Sea Bass Fishery Management Plan (FMP); Amendment 8 to the Atlantic Mackerel, Squid, and Butterfish FMP; and Amendment 12 to the Atlantic Surf Clam and Ocean Quahog FMP'' (RIN0648–AL56), received October 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5914. A communication from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Highly Migratory Species Fisheries; Bluefin Tuna; General Category Closure'' (I.D. 092899G), received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5915. A communication from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Highly Migratory Species (HMS) Fisheries; Vessel Monitoring Systems'' (RIN0648–AJ67) (I.D. 071698B), received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5916. A communication from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries Off West Coast States and in the Western Pacific; West Coast Salmon Fisheries; Commercial Inseason Adjustments and Closures from Cape Flattery to Leadbetter Point, WA'', received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5917. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Northeastern United States; Summer Flounder Fishery; Commercial Quota Harvested for New York'', received October 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5918. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Closure of the Commercial Fishery for Red Snapper in the Exclusive Economic Zone of the Gulf of Mexico'', received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5919. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Prohibition of Directed Fishing for Greenland Turbot in the Bering Sea Subarea of the Bering Sea and Aleutian Islands Management Area'', received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5920. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Pollock by Vessels Catching Pollock for Processing by the Inshore Component in the Bering Sea Subarea'', received October 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5921. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Catcher Processors Using Trawl Gear in the Bering Sea and Aleutian Islands, received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JEFFORDS, from the Committee on Health, Education, Labor, and Pensions, with amendments:

S. 385. A bill to amend the Occupational Safety and Health Act of 1970 to further improve the safety and health of working environments, and for other purposes (Rept. No. 106–202).

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

H.R. 764. A bill to reduce the incidence of child abuse and neglect, and for other purposes.

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 204. A resolution designating the week beginning November 21, 1999, and the week beginning on November 19, 2000, as 'National Family Week,' and for other purposes.

By Mr. HATCH, from the Committee on the Judiciary, with amendments:

S. 1750. A bill to reduce the incidence of child abuse and neglect, and for other purposes.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 1764. A bill to make technical corrections to various antitrust laws and to references to such laws.

By Mr. HATCH, from the Committee on the Judiciary, with amendments:

S. 1769. A bill to continue reporting requirements of section 2519 of title 18, United States Code, beyond December 21, 1999, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WARNER, from the Committee on Armed Services:

John F. Potter, of Maryland, to be a Member of the Board of Regents of the Uniformed Services University of the Health Sciences for a term expiring May 1, 2005.

A.J. Eggenberger, of Montana, to be a Member of the Defense Nuclear Facilities Safety Board for a term expiring October 18, 2003.

Jessie M. Roberson, of Alabama, to be a Member of the Defense Nuclear Facilities Safety Board for a term expiring October 18, 2002.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

The following named officer for appointment as Vice Chairman of the Joint Chiefs of Staff and appointment to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., sections 601 and 154:

To be general

Gen. Richard B. Myers, 7092

The following Air National Guard of the United States officers for appointment in the Reserve of the Air Force to the grades indicated under title 10, U.S.C., section 12203:

To be major general

Brig. Gen. Harold A. Cross, 6940
Brig. Gen. Paul J. Sullivan, 5946

To be brigadier general

Col. Dwayne A. Alons, 6536
Col. Richard W. Ash, 2052
Col. George J. Cannelos, 9758
Col. James E. Cunningham, 6429
Col. Myron N. Dobashi, 8614
Col. Juan A. Garcia, 8468
Col. John J. Hartnett, 7206
Col. Steven R. McCamy, 8048
Col. Roger C. Nafziger, 2043
Col. George B. Patrick, III, 8518
Col. Martha T. Rainville, 6388
Col. Samuel M. Shiver, 9331
Col. Robert W. Sullivan, 8075
Col. Gary H. Wilfong, 8548

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Charles H. Coolidge, Jr., 6287

The following named officer for appointment as Surgeon General of the Air Force and appointment to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601 and 8036:

To be lieutenant general

Maj. Gen. Paul K. Carlton, Jr., 8132

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Charles F. Wald, 1222

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Ronald C. Marcotte, 7848

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Thomas J. Keck, 7294

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Hal M. Hornburg, 6836

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Walter S. Hogle, Jr., 6057

The following Air National Guard of the United States officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. Myron G. Ashcraft, 6527

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Norton A. Schwartz, 7542

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Gen. Joseph W. Ralston, 9172

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Gen. Ralph E. Eberhart, 7375

The following Army National Guard of the United States officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. Daniel B. Wilkins, 1631

The following named officers for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Raymond D. Barrett, Jr., 1758
James J. Grazioplene, 3304

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Gen. Thomas A. Schwartz, 0711

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Lt. Gen. John W. Hendrix, 7900

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Kevin P. Byrnes, 7639

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. James C. Riley, 6688

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. John A. Van Alstyne, 3328

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig. Gen. Anders B. Aadland, 1667

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig. Gen. John T.D. Casey, 8752

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig. Gen. Hans A. Van Winkle, 8718

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Gary S. McKissock, 8973

(The above nominations were reported with the recommendation that they be confirmed.)

Mr. WARNER. Mr. President, for the Committee on Armed Services, I report favorably nomination lists which were printed in the RECORDS of September 23, 1999, September 27, 1999 and October 12, 1999, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of September 23, 1999, September 27, 1999 and October 12, 1999, at the end of the Senate proceedings.)

In the Army, two nominations beginning Robert E. Wegmann, and ending Sandra K. James, which nominations were received by the Senate and appeared in the Congressional Record of September 23, 1999.

In the Army, three nominations beginning John H. Belser, Jr., and ending Thomas R. Shepard, which nominations were received by the Senate and appeared in the Congressional Record of September 23, 1999.

In the Army, three nominations beginning *Kathleen David-bajar, and ending Dean C. Pedersen, which nominations were received by the Senate and appeared in the Congressional Record of September 23, 1999.

In the Marine Corps, one nomination of Wendell A. Porth, which was received by the Senate and appeared in the Congressional Record of September 23, 1999.

In the Navy, 292 nominations beginning Robert C. Adams, and ending Daniel L. Zimmer, which nominations were received by the Senate and appeared in the Congressional Record of September 27, 1999.

In the Air Force, three nominations beginning Edwin C. Schilling, III, and ending Celinda L. Van Maren, which nominations were received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Air Force, one nomination of Ronald J. Boomer, which was received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Army, seven nominations beginning Gary A. Benford, and ending Kenneth A. Younkin, which nominations were received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Army, seven nominations beginning David A. Couchman, and ending Charles R. Nessmith, which nominations were received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Army, nine nominations beginning Rex H. Cray, and ending Lawrence A. West, which nominations were received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Army, 1510 nominations beginning *David M. Abbinanti, and ending X379, which nominations were received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Marine Corps, one nomination of Fredric M. Olson, which was received by the Senate and appeared in the Congressional Record of October 12, 1999.

By Mr. HATCH, from the Committee on the Judiciary:

John W. Marshall, of Virginia, to be Director of the United States Marshals Service.

(The above nomination was reported with the recommendation that he be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HAGEL (for himself, Mr. ABRAHAM, Mr. DEWINE, Mr. GORTON, Mr. KERREY, Ms. LANDRIEU, and Mr. THOMAS):

S. 1816. A bill to amend the Federal Election Campaign Act of 1971 to provide meaningful campaign finance reform through requiring better reporting, decreasing the role of soft money, and increasing individual contribution limits, and for other purposes; to the Committee on Rules and Administration.

By Mr. GRAMS:

S. 1817. A bill to validate a conveyance of certain lands located in Carlton County, Minnesota, and to provide for the compensation of certain original heirs; to the Committee on Energy and Natural Resources.

By Mr. SCHUMER:

S. 1818. A bill to amend title II of the Elementary and Secondary Education Act of 1965 to provide grants for master teacher programs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SCHUMER:

S. 1819. A bill to amend title II of the Elementary and Secondary Education Act of 1965 to provide grants for mentor teacher programs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KERRY:

S. 1820. A bill to amend the Internal Revenue Code of 1986 to exclude national service educational awards from the recipient's gross income; to the Committee on Finance.

By Mr. REED (for himself and Mr. TORRICELLI):

S. 1821. A bill to authorize the United States to recover from a third party the value of any housing, education, or medical care or treatment furnished or paid for by the United States and provided to any victim of lead poisoning; to the Committee on the Judiciary.

By Mr. MCCAIN (for himself and Ms. SNOWE):

S. 1822. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans provide coverage for treatment of a minor child's congenital or developmental deformity or disorder due to trauma, infection, tumor, or disease; to the Committee on Finance.

By Mr. DEWINE (for himself, Mrs. MURRAY, Mr. ABRAHAM, and Mr. DODD):

S. 1823. A bill to revise and extend the Safe and Drug-Free Schools and Communities Act of 1994; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BREAUX (for himself and Mr. GORTON):

S. 1824. A bill to amend the Communications Act of 1934 to enhance the efficient use of spectrum by non-federal government users; to the Committee on Commerce, Science, and Transportation.

By Mr. ROCKEFELLER:

S. 1825. A bill to empower telephone consumers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MURKOWSKI:

S. 1826. A bill to provide grants to the State of Alaska for the purpose of assisting that State in fulfilling its responsibilities under sections 803, 804, and 805 of the Alaska National Interest Lands Conservation Act, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GRAHAM:

S. 1827. A bill to provide funds to assist high-poverty school districts meet their teaching needs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MOYNIHAN (by request):

S. 1828. A bill to protect and provide resources for the Social Security System, to reserve surpluses to protect, strengthen and modernize the Medicare Program, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. ROTH (for himself, Mr. LUGAR, Mr. BIDEN, Mr. KYL, Mr. HAGEL, Mr. SMITH of Oregon, Mr. LIEBERMAN, and Mr. HELMS):

S. Res. 208. A resolution expressing the sense of the Senate regarding United States policy toward the North Atlantic Treaty Organization and the European Union, in light of the Alliance's April 1999 Washington Summit and the European Union's June 1999 Cologne Summit; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HAGEL (for himself, Mr. ABRAHAM, Mr. DEWINE, Mr. GORTON, Mr. KERREY, Ms. LANDRIEU, and Mr. THOMAS):

S. 1816. A bill to amend the Federal Election Campaign Act of 1971 to provide meaningful campaign finance reform through requiring better reporting, decreasing the role of soft money, and increasing individual contribution limits, and for other purposes; to the Committee on Rules and Administration.

THE OPEN AND ACCOUNTABLE CAMPAIGN FINANCING ACT OF 2000

● Mr. HAGEL. Mr. President, today I join several of my colleagues in introducing the ''Open and Accountable Campaign Financing Act of 2000.'' This bill increases disclosure requirements on campaign contributions and political broadcast advertisements. It also caps ''soft money'' contributions to political party committees at $60,000 and adjusts individual contribution limits for inflation. I am pleased that the following Senators have joined me today in offering this bill: SPENCER ABRAHAM (R-MI), MIKE DEWINE (R-OH), SLADE GORTON (R-WA), BOB KERREY (D-NE), MARY LANDRIEU (D-LA) and CRAIG THOMAS (R-WY).

Changing the way federal campaigns are financed is inevitable, the American people will demand it. At some point, the Senate will have a full and open debate on how best to reform our campaign finance system. I was disappointed that floor procedures prevented us from doing so last week, because several of us had intended to offer amendments to the McCain-Feingold legislation.

My colleagues and I introduce this bill today as a bipartisan alternative in what has been a very polarized debate. If we are ever to move forward on this issue, we will need to look at a variety of ways to reform the campaign finance system. This bill is a combination of ideas offered by myself and a number of my colleagues. Several specific provisions in this bill have widespread support by both Republicans and Democrats, and, I believe, can form a base from which consensus can build.

Confidence in our political system is the essence of representative government. This begins with an open and accountable campaign financing system. We need to rise above partisan, ideological and personal rivalries, and find common ground on campaign finance reform.

There are several elements that must be part of any reform of our campaign finance system. One of the most important is increased disclosure for all who participate in the political process. We should not fear an educated and informed body politic. If individuals and organizations are going to participate in the election process, their participation must be revealed to the public.

To provide for fuller disclosure, this bill increases the financial reporting requirements for candidates and political parties. This legislation also takes the rules on broadcast ads that apply to candidates and extends them to all political broadcast ads. Under current federal regulations, when a candidate buys a political ad, the broadcaster is required to place information on the ad in a file that is open to the public. This includes a record of the times the spots are scheduled to air, the overall amount of time purchased and at what rates, and the names of the officers of the organization placing the ad. Under current federal regulations, when an interest group places a political ad with a broadcaster, it does not have to meet all of these requirements. This bill requires that interest-group ads related to any federal candidate or issue go into the broadcaster's public file. There would be no added burden on the broadcaster. The broadcaster would simply use the same form already used for candidate and party ads. Let me make clear one thing the bill does not do. It does not require organizations to identify individual donors or provide membership lists. It preserves a reasonable balance between the public's right to know which groups are attempting to influence an election, and the privacy rights of individual donors.

In addition to disclosure, we need to look at soft money contributions to national party committees. Most constitutional experts say that an outright ban on soft money would be unconstitutional. But this unaccountable, unlimited flood of soft money cascading over America's politics must be stopped. We need to find a middle ground between the extremes of banning soft money and leaving it unrestricted. This bill limits soft money contributions to national party committees to $60,000. This is not a ban on financial support of parties. It is a return to the original intent of the campaign finance reforms of the 1970s, which worked well until they were exploited and abused.

We also need to increase the ability of individuals to participate in the most accountable method of campaign financing. This bill adjusts and indexes contributions to inflation and indexes them for further years. For an individual, contribution limits would increase from $1,000 to $3,000 per candidate, per election. I've heard the argument that raising these limits would give the wealthy too much influence and access. If we cap or eliminate soft money and do not adjust the hard-money limits, we will chase more money into the black hole of third-party ads, where the public cannot

view the flow of money. I want to bring more of that money into the sunlight where the American people have access to who is giving money and how much.

We have a great opportunity to restore some of the confidence the American people have lost in their political system. Improving our system that selects America's leaders—who formulate and implement the policies that govern our Nation—is a worthy challenge.●

● Mr. KERREY. Mr. President, today I would like to express my support for ''The Open and Accountable Campaign Financing Act of 1999,'' which would provide this country with much needed campaign finance reform. Our Constitution lays out the requirements for someone running for office. In order to run for the Senate, the Constitution tells us that there are three requirements: you must be at least 30 years old; you must have been a U.S. citizen for nine years; and you must be a resident of the state you wish to represent.

What the Constitution doesn't tell you about is a fourth requirement: you must have an awful lot of money, or at least know how to raise it. The Constitution doesn't tell you this because when the framers drafted the Constitution, they could not have imagined the ridiculously large amounts of time and money one must spend today if he or she wants to be elected to office.

We need to change the law to give power back to working families, restore their faith in the process, and make democracy work. That's why I have been an avid supporter of the McCain-Feingold bill and the Shays-Meehan bill that recently passed the House, and that's why I am now a cosponsor of Senator HAGEL's bill.

Earlier this month, the Senate debated the McCain-Feingold bill. This year's version was a stripped down version of the McCain-Feingold bills we've debated, and I have supported, in years past. Although I prefer the more comprehensive House passed Shays-Meehan bill, I understood Senators MCCAIN and FEINGOLD'S decision to purposefully strip down their bill. They knew the realities of the vote count in the Senate. We didn't have the votes to pass anything more comprehensive, so they introduced a ''barebones'' bill which essentially did one simple thing: ban soft money.

Unfortunately, the bill was pulled from the floor after a vote showing McCain-Feingold still didn't have the votes to pass. The good news is we picked up one vote; the bad news is we still haven't passed a campaign finance reform bill. We made progress. That is why it is important to not let this issue die on the back burner. That is why I am joining in Senator HAGEL's effort to keep this issue alive.

Currently, soft money is uncapped and unregulated—corporations, unions and wealthy individuals can contribute unlimited amounts of soft money. Senator HAGEL's bill would cap soft money at $60,000. Although I prefer a complete ban, it is clear the Senate is a few votes short of passing this ban. Senator HAGEL's new approach just might be the compromise that can muster enough votes to pass the Senate. Let me be clear—while I prefer much more comprehensive reform of our campaign financing system—I do believe Senator HAGEL's proposal is a step in the right direction. This bill, with its cap on soft money and tightening of disclosure requirements, would be a good beginning.

The American people are frustrated with the millions of dollars they see poured into campaigns. They are frustrated with out tendency to talk instead of act. I am hopeful this bill can help make that happen. In fact I want to applaud my friend, Senator HAGEL for his efforts, and urge our colleagues to support this bill.●

By Mr. KERRY:

S. 1820. A bill to amend the Internal Revenue Code of 1986 to exclude national service educational awards from the recipient's gross income; to the Committee on Finance.

AMERICORPS SCHOLARSHIP FAIRNESS ACT

Mr. KERRY. Mr. President, I rise today to introduce legislation on behalf of thousands dedicated volunteers around the country. The legislation I am offering addresses an inequity in the tax code that adversely affects AmeriCorps volunteers. I urge my colleagues to pass it immediately.

Since 1994, in 4,000 communities across the country, AmeriCorps participants have tutored and mentored more than 4 million children, developed after-school programs for over one million young people, and helped build more than 11,000 homes. Their dedication and commitment are a tribute to the American tradition of public service. Currently, at the conclusion of 1,700 hours of service, AmeriCorps members receive an education award of $4,725. The award may be used by former volunteers to pay for tuition expenses or the repayment of student loans.

Under long-established tax law, scholarships and grants are excludable from income. However, because the AmeriCorps awards are considered to represent payment for services rendered, they must be included in taxable income at the end of the year. This tax treatment creates a significant hardship for former volunteers. Because AmeriCorps education awards are sent directly to the loan agency or educational institution, they do not represent income from which a portion may be reserved by the beneficiary for the payment of tax. After serving in AmeriCorps, many former volunteers work part-time to pay for college, and the education award pushes their income above the standard income tax deduction, creating tax liability for an individual with little means to pay for it.

Mr. President, allow me to illustrate. Maleah Thorpe of Sunderland, Massachusetts, is a two-year AmeriCorps participant. Most recently, Maleah served as a volunteer with Massachusetts Campus Compact. The Massachusetts Campus Compact coordinates formal and informal assistance for students, staff, and faculty in the areas of: America Reads and early childhood literacy initiatives, America Counts and math education initiatives, and other Campus and community partnerships. Maleah's service has benefited our community and our country, while at the same time, has provided a rewarding personal experience.

Listen to what Maleah has to say about AmeriCorps:

> My experiences with AmeriCorps have been life-changing, introducing me to so many opportunities and a new appreciation of both the diversity and strength of people in our nation. I consider myself fortunate and am thankful that I will have not one, but two educational awards should I need to use them. However, I am at the same time dreading the out-of-pocket expense that will accompany their use * * *. Although I was anxious to use the educational award earned during my first year of service to reduce my undergraduate loan debt, the cost of paying taxes on the amount has prohibited me from doing so.
>
> When I entered AmeriCorps two years ago, I did so for the service. I also anticipated that approximately 75 percent of my undergraduate loan debt would be paid within three years of graduation, something that helped justify the financial cost of living on only the minimal stipend. Instead, I will enter graduate school in the fall, my undergraduate loans will continue to accrue interest and I will likely acquire additional loans to cover some expenses because I can simply not afford to use and pay taxes on my educational awards while I am a student.
>
> I know that I am not alone in this predicament. Many alumni with whom I served are either students or completing additional years of service, solely responsible for educational and living expenses. Many of us do not have additional income to pay taxes on the educational awards nor the ability to ask friends or relatives to assist us.
>
> I have given two years to serve my fellow citizens of the nation and the Commonwealth and would never give up those experiences. However, I should not now be punished for this choice by the burden of additional taxes.

Similar situations arise with other programs. Congress has recognized these inequities and acted to address them. For example, this summer's Taxpayer Refund and Relief Act would have specifically provided that scholarships received through the National Health Service Corps, the Armed Forces Health Professions program, and the National Institutes of Health Undergraduate program are tax exempt. Let's do the same for the thousands of volunteers who, through the AmeriCorps program, give up two years of their lives to make a difference in communities across our nation.

The AmeriCorps Scholarship Fairness Act clarifies that AmeriCorps education awards should receive the same tax treatment as a traditional college scholarship. Under the proposal, amounts received by an individual as part of a national service education award would be eligible for tax-free treatment as a qualified scholarship

under section 117 of the tax code, without regard to the fact that the recipient of the scholarship has provided services as a condition for receiving the scholarship. The Joint Tax Committee estimates the cost in lost revenue would be $2 million the first year, $15 million over five years, and $32 million over ten years.

The government should cherish, not punish, volunteerism and public service. I hope my colleagues will join me in enacting this simple but meaningful legislation.

Mr. President, I ask unanimous consent that the text of the bill and three letters from Massachusetts constituents be printed in the RECORD.

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

S. 1820

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

SECTION 1. EXCLUSION OF NATIONAL SERVICE EDUCATIONAL AWARDS.

(a) IN GENERAL.—Section 117 of the Internal Revenue Code of 1986 (relating to qualified scholarships) is amended by adding at the end the following:

''(e) QUALIFIED NATIONAL SERVICE EDUCATIONAL AWARDS.—

''(1) IN GENERAL.—Gross income for any taxable year shall not include any qualified national service educational award.

''(2) QUALIFIED NATIONAL SERVICE EDUCATIONAL AWARD.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified national service educational award' means any amount received by an individual in a taxable year as a national service educational award under section 148 of the National and Community Service Act of 1990 (42 U.S.C. 12604) to the extent (except as provided in subparagraph (C)) such amount does not exceed the qualified tuition and related expenses (as defined in subsection (b)(2)) of the individual for such taxable year.

''(B) DETERMINATION OF EXPENSES.—The total amount of the qualified tuition and related expenses (as so defined) which may be taken into account under subparagraph (A) with respect to an individual for the taxable year shall be reduced (after the application of the reduction provided in section 25A(g)(2)) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A with respect to such expenses.

''(C) EXCEPTION TO LIMITATION.—The limitation under subparagraph (A) shall not apply to any portion of a national service educational award used by such individual to repay any student loan described in section 148(a)(1) of such Act or to pay any interest expense described in section 148(a)(4) of such Act.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts received in taxable years beginning after December 31, 1999.

AMERICORPS,
Sunderland, MA, July 20, 1999.

Senator JOHN KERRY,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR KERRY, My name is Maleah Thorpe. I am a two year alumna of AmeriCorps, serving with City Year Rhode Island (1997—98) and most recently as a VISTA with Massachusetts Campus Compact (1998–99) working at the University of Massachusetts at Amherst.

My experiences with AmeriCorps have been life-changing, introducing me to so many opportunities and a new appreciation of both the diversity and strength of people in our nation. These past two years have left an immeasurable impact on my life, changed my perspective on many things, and even altered my future plans; in September I will begin graduate studies at UMass Amherst.

I consider myself fortunate and am thankful that I will have not one, but two, Educational Awards should I need to use them. However, I am at the same time dreading the out-of-pocket expense that will accompany their use. I had a small preview of what is to come last December when I used my Interest Payment option from my first year of AmeriCorps service. For choosing to use this ''benefit'' of $543, I was required to pay an unexpected $120 in state and (mostly) federal taxes. While this may seem like a small sum, I assure you that it is not to someone living on a VISTA stipend where every penny is accounted for to cover basic living expenses.

Although I was anxious to use the Educational Award earned during my first year of service to reduce my undergraduate loan debt, the cost of paying taxes on the amount has prohibited me from doing so.

When I entered AmeriCorps two years ago, I did so for the service. I also anticipated that approximately 75% of my undergraduate loan debt would be paid within three years of graduation, something that helped justify the financial cost of living on only the minimal stipend. Instead, I will enter graduate school in the fall, my undergraduate loans will continue to accrue interest and I will likely acquire additional loans to cover some expenses because I can simply not afford to use and pay taxes on my Educational Awards while I am a student.

I know that I am not alone in this predicament. Many alumni with whom I served are either students or completing additional years of service, solely responsible for educational and living expenses. Many of us do not have additional income to pay taxes on the Educational Awards nor the ability to ask friends or relatives to assist us.

I have given two years to serve my fellow citizens of the nation and the Commonwealth and would never give up those experiences. However, I should not now be punished for this choice by the burden of additional taxes. As a citizen of the Commonwealth and on behalf of those who have served and will serve in the future, I ask that you work to remove this burden of taxation of the AmeriCorps Educational Awards.

Thank you for your time and efforts.

Sincerely,

MALEAH F. THORPE.

Ware, MA, July 19, 1999.

TO WHOM IT MAY CONCERN: My name is Jamie Rutherford and I am a resident of Ware, Massachusetts. Following graduation from the University of Hartford in 1996, I entered the AmeriCorps National Civilian Community Corps. I served two 10-month terms in the program, 1996—97 in Denver, CO, and 1997–98 in Charleston, SC.

My motivation for joining AmeriCorps included my desire to travel, to learn new skills, to lend myself to the community, and to earn an educational award that I would be able to apply toward my substantial student loans. I greatly enjoyed my experience the first year in Denver, and had very little difficulty deciding to reapply for a second year in South Carolina. Over those two years I took part in fourteen separate projects pertaining to the environment, education, public safety, and unmet human needs. I traveled to nine states and enjoyed experiences ranging from inner city tutoring, to midwestern trailbuilding, to even Gulf Coast erosion control.

My experiences in AmeriCorps were wonderful, and have instilled in me a great appreciation for national service. I did, however, face several daunting challenges during my term of service. The most difficult challenges usually involved personal finance. The living stipend provided to us was minimal, and it was often quite difficult to get by on such meager funds. We did receive additional allotments for food and travel, however, and got by as well as possible. Upon completion of my first year in Denver, I applied my first award to my student loan provider here in Massachusetts. The greatest challenge for me came with the taxation of that award during my second term in South Carolina. When I discovered that I owed $350 to the Internal Revenue Service due to the taxation of the award, I was forced to go on a monthly payment plan during that second term. This was very difficult for me considering our minimal living stipend. I could not then and cannot now understand why the award was taxable as such, or why the taxed amount could not at least be subtracted from the $4,725 award initially.

Nearly a year after completing my second term and receiving my second award, I still maintain the $4,725 balance of that award. My current finances greatly necessitate the utilization of the award toward my substantial student loan bills. Nevertheless, I am reluctant to do so due to uncertainty for my future financial viability. I fear that I will not be able to afford another heavy taxation. Though the award seems to be so beneficial, it threatens to actually be somewhat detrimental to me.

My hope and request is that this taxation be abolished. It simply does not seem reasonable that young people devoting themselves to the improvement of our country should be so unjustly penalized. I greatly support AmeriCorps and all the good that it represents. I only wish that this one matter would be reconsidered in order to lift the gray cloud that has fallen over my memories of two wonderful years of national service.

Thank you.

JAMES E. RUTHERFORD.

Jamaica Plain, MA, July 20, 1999.

DEAR SENATOR: My name is Brendan Miller and I am an alumnus of AmeriCorps. I served two years, one with the Northwest Service Academy in Oregon and one with City Year in South Carolina as an AmeriCorps Leader. My AmeriCorps experience changed my life and set me on a path of public service that I now know is my calling.

I currently live in Boston, Massachusetts. As a supporter of AmeriCorps you surely know a benefit of the AmeriCorps experience is the Education Award that is granted at the end of one's service. I used approximately $6,000 of this award in January to pay off my loans from college. Unfortunately, the Ed Award is considered income for tax purposes, so I will be burdened with significantly higher taxes this year. In fact, I chose not to use my whole Award this year in order to split the tax burden between two years. If I had used the entire Award this year, my financial situation would surely have prevented me from meeting this tax without significant hardship.

I am working for the Boston Plan for Excellence in Education, which is a non-profit that is seeking to encourage lasting school reform in the Boston schools. Although I receive great satisfaction from this work, it does not pay that well. Since my AmeriCorps experience, I have committed myself to

doing work that I feel is really making a difference, but this also means living on a tighter budget.

I know many of my friends in service have also made similar commitments to a life of service. However, our resolve can be tested by the need to pay our bills. As a graduate of Brown University with a degree in Computer Science, I could be making significantly more money in the for-profit sector, and I am often tempted to break my commitment to a life of service.

As a supporter of AmeriCorps and national service, I know you want to make it easy as possible for America's citizens to serve their country. I ask you to remove the tax on Education Awards to take a giant step forward in this effort.

Please don't hesitate to contact me if you have any additional questions. I look forward to hearing of your leadership on this issue.

Sincerely,

BRENDAN MILLER.

By Mr. REED (for himself and Mr. TORRICELLI):

S. 1821. A bill to authorize the United States to recover from a third party the value of any housing, education, or medical care or treatment furnished or paid for by the United States and provided to any victim of lead poisoning; to the Committee on the Judiciary.

THE LEAD POISONING EXPENSE RECOVERY ACT OF 1999

Mr. REED. Mr. President, I rise today to introduce legislation with my colleague Senator TORRICELLI that would give the federal government clear authority to recover from the manufacturers of lead-based paint, funds spent on the prevention and treatment of childhood lead poisoning.

Our knowledge of lead poisoning dates back to 200 BC, when the Greek physician Galen wrote ''lead makes the mind give way.'' Benjamin Franklin knew about ''the mischievous effects of lead'' back when he wrote those words in 1786. In the late 19th century, scientific studies and medical reports began detailing the effects of lead on children. And by 1904, the source of those poisonings was identified as white lead paint used in housing. Queensland, Australia, was the first to ban certain applications of lead-based paint in 1922. Austria, Belgium, Bulgaria, Chile, Czechoslovakia, Estonia, France, Latvia, Poland, Romania, Spain, and Sweden followed suit in the mid-1920's. In 1978, more than a half of a century later, lead-based paint was banned in the United States.

Today, nearly one million preschoolers nationwide have excessive levels of lead in their blood; making lead poisoning the leading environmental health disease among children. Even low levels of lead exposure can cause serious injury to the developing brain and nervous system of children, lost IQ points, learning and reading disabilities, hyperactivity, and aggressive or delinquent behavior. At high levels of exposure, lead causes mental retardation, coma, convulsions and even death.

Lead-based paint in housing is the major remaining source of exposure and is responsible for most cases of childhood lead poisoning. Children contract lead poisoning when they come into contact with lead-based paint chips, contaminated soil, or dust generated from deteriorated paint. An estimated three million tons of lead still coats the walls and woodwork of American homes. Approximately half of America's housing stock, roughly 64 million units contain some lead-based paint. Twenty million of which are considered hazardous because they contain paint which is peeling, cracked, or chipped. My home state of Rhode Island has the fifth oldest housing stock in the country, and, as a result, has a lead poisoning rate that is three times the national average.

Sadly, this disease is particularly prevalent in those communities with the fewest resources to address the problem. Poor children are eight times more likely than kids from moderate and upper income families to contract lead poisoning. Yet, while lead poisoning is most prevalent in low-income communities, 20–25 percent of children who are poisoned live in middle- or upper-income homes. They were poisoned by exposure to lead released through renovation or repainting activities.

Taxpayers have already paid billions of dollars to deal with the tragic consequences of childhood lead exposure, including large expenditures for medical care, special education, and lead abatement in housing. However, what has been spent so far is barely a drop in the bucket. In Rhode Island alone, we are looking at a bill of $300 million to clean up just the most dangerous housing units. There are simply not enough grant or loan programs available. Last year, one federal lead abatement program had to turn down nine applicants for every grant it made.

Each year, we fight to make childhood lead poisoning a priority in Congress, in State legislatures, in cities, and in communities, knowing that the real solution is getting rid of the source of a child's exposure. At the same time we are frightfully aware that it could be decades longer, and millions of poisoned children later, until we finally ''get the lead out.''

The Rhode Island Attorney General recently filed a 10-count lawsuit against the manufacturers of lead paint and the industry's trade association. The lawsuit documents nearly a century-long record of industry culpability. The lead industry aggressively marketed its product as safe, despite knowledge of its harmful effects that were made apparent by continuous warnings from the medical community. To date, an industry that has over $30 billion in assets has yet to make a significant contribution to addressing the problems associated with its product.

Clearly, victims of lead poisoning were never given a chance, not even a warning. Parents were never told that the product they used to beautify their home could prevent their children from achieving their fullest potential. Instead, the industry fought regulations in California, New York, and Maryland that would have banned the use of lead-based paint or required the product to be labeled as poisonous. In 1954, the Board of Health of New York City proposed a sanitary code provision banning the sale of paints containing more than 1 percent lead, and requiring lead paint to be labeled as ''poisonous'' and not for interior use. The lead industry opposed the proposal as ''unnecessary and unjustified'' and unduly burdensome. Ultimately, the New York City Board of Health dropped the proposed ban of lead paint in 1955, and adopted a more narrow warning label requirement. This is only one example from an extensive record of industry wrongdoing which I believe the federal government should have the authority to address.

That is why Senator TORRICELLI and I are introducing legislation that will ensure that justice is served. Our legislation provides clear authority for the Federal government to recover the significant resources it has expended to mitigate childhood lead poisoning. This includes dollars spent on medical care and treatment, special education, and funds spent to make homes lead-safe for children. As cities and states stand up and say enough is enough, it is only appropriate for the federal government to join them in the effort to hold the industry responsible. The severity of childhood lead poisoning and the considerable expense borne by taxpayers to clean up the industry's mess demands action now. I urge my Senate colleagues to join me in supporting this legislation so that we can move aggressively towards our goal to end childhood lead poisoning. I ask unanimous consent that the text of this bill be printed in the RECORD.

S. 1821

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 ''Lead Poisoning Expense Recovery Act of 1999''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Lead poisoning is the number 1 environmental health threat to young children, affecting an estimated 890,000 children.

(2) Most children are poisoned in their homes through exposure to lead particles when lead-based paint deteriorates or is disturbed during home renovation or repainting.

(3) Lead paint remains in almost ⅔ of the housing stock of the United States.

(4) Lead poisoning may cause serious, long-term harm to children, including reduced intelligence and attention span, behavior problems, learning disabilities, and impaired growth.

(5) Research shows that children with elevated levels of lead in their blood are 7 times more likely to drop out of high school than children without elevated blood-lead levels.

(6) Children from low-income families are 8 times more likely to be poisoned by lead than children from high-income families.

(7) African-American children are 5 times more likely to be poisoned by lead than white children.

SEC. 3. SUITS BY THE UNITED STATES AUTHORIZED.

(a) IN GENERAL.—In any case in which the United States is authorized or required to furnish housing, education, or medical care or treatment to an individual who suffers from or is at risk of lead poisoning (or to pay for the housing, education, or medical care or treatment of such an individual) under circumstances creating liability upon any third party, the United States shall have the right to recover (independent of the rights of the injured or diseased individual) the value of the housing (including the cost of lead hazard evaluation and control), education, or medical care or treatment furnished or paid for by the United States before, on, or after the date of enactment of this Act.

(b) AMOUNTS RECOVERED.—Any amount recovered by the United States under subsection (a) shall be available, subject to authorization and appropriations Acts, to enhance childhood lead poisoning prevention and treatment activities, including lead hazard evaluation and control.

(c) THIRD PARTY DEFINED.—In this section, the term ''third party'' means any manufacturer of lead or lead compound for use in paint or any trade association that represents such a manufacturer.

(d) STATUTE OF LIMITATIONS.—No action may be brought under this section more than 6 years after the later of—

(1) the date of enactment of this Act; or

(2) the date on which the United States incurs the expense.

By Mr. MCCAIN (for himself and Ms. SNOWE):

S. 1822. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans provide coverage for treatment of a minor child's congenital or developmental deformity or disorder due to trauma, infection, tumor, or disease; to the Committee on Finance.

TREATMENT OF CHILDREN'S DEFORMITIES ACT OF 1999

● Mr. MCCAIN. Mr. President, today I am introducing legislation with my colleague, Senator SNOWE, to address the growing problem of HMOs denying insurance coverage for reconstructive surgery for children suffering from physical defects and deformities. This legislation would require medical plans to cover the medical procedures to reconstruct a child's appearance if they are born with abnormal structures of the body, including a cleft lip or palate.

Today, approximately seven percent of American children are born with pediatric deformities and congenital defects such as cleft lip, cleft palate, missing limbs including ears, and other facial deformities. Unfortunately, it has become commonplace for insurance companies to label reconstructive procedures to correct these deformities as cosmetic surgery and deny coverage to help these children eradicate or reduce deformities and acquire a normal appearance.

A recent survey of the American Society of Plastic and Reconstructive Surgeons indicated that over half the plastic surgeons questioned have had a pediatric patient in the last two years who has been denied, or experienced tremendous difficulty in obtaining, insurance coverage for reconstructive surgery.

It is disgraceful that many insurance companies claim that medical services to restore to a child some semblance of a normal appearance are superfluous and merely for vanity or cosmetic purposes. My colleagues may be wondering how such a ludicrous and cruel argument can be made when these procedures are clearly reconstructive in nature. Helping a child born without ears or with a cleft so severe it extends to her hairline is not cosmetic surgery.

The medical and developmental complications arise from these conditions are tremendous. Speech impediments, hearing difficulties and dental problems are a few of the physical side effects resulting from a child's physical deformity. In addition, the effect of a child's deformities on their personal development, confidence, and self-esteem and their future aspirations and achievements, is often very far reaching.

A healthy self image is vitally important to develop self esteem and confidence. How people see themselves, and how others see them, helps determine how a person feels about himself and whether he has the strength to cope with difficult challenges, including the taunting of peers and disengagement from school activities. As parents, we want our children to be armed with a healthy self esteem and confidence. The best way to guarantee that happens is to help them develop a strong and healthy self image.

At the same time, I recognize that we live in a society which places a high value on physical beauty and often unfairly uses it to measure a person's worth, ability or potential in society. It is unrealistic not to recognize the unfair obstacles facing children born with deformities if they are not provided access to medical services to help them attain a more normal physical appearance.

Some of my colleagues may know that my daughter, Bridget, whom Cindy and I adopted from Mother Theresa's orphanage in Bangladesh, was born with a severe cleft. We are fortunate to have had the means and opportunities to provide the expert medical care necessary to help Bridget physically and emotionally. However, we, too, encountered numerous obstacles and denials by our insurance providers who did not believe that Bridget's medical treatment was necessary. Fortunately, Cindy and I were able to afford the reconstructive services Bridget needed, despite denials by our health plan. Most hard-working American families are not so fortunate. That is why I am introducing this important bill to assist all American children.

This is not a new mandate that could cause health care premiums to escalate. What I am proposing simply prohibits plans from frivolously ruling that substantial, medically needed reconstructive surgeon for children to obtain a relatively normal appearance is cosmetic and refusing to pay for the procedures. This bill ensures that all children are afforded an opportunity to lead a more normal life and realize their full potential.

Mr. President, I ask that the text of the bill be printed in the RECORD.

The bill follows:

S. 1822

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 ''Treatment of Children's Deformities Act of 1999''.

SEC. 2. COVERAGE OF MINOR CHILD'S CONGENITAL OR DEVELOPMENTAL DEFORMITY OR DISORDER.

(a) GROUP HEALTH PLANS.—

(1) PUBLIC HEALTH SERVICE ACT AMENDMENTS.—

(A) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–4 et seq.) is amended by adding at the end the following new section:

''SEC. 2707. STANDARDS RELATING TO BENEFITS FOR MINOR CHILD'S CONGENITAL OR DEVELOPMENTAL DEFORMITY OR DISORDER.

''(a) REQUIREMENTS FOR RECONSTRUCTIVE SURGERY.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, that provides coverage for surgical benefits shall provide coverage for outpatient and inpatient diagnosis and treatment of a minor child's congenital or developmental deformity, disease, or injury. A minor child shall include any individual up to 21 years of age.

''(2) REQUIREMENTS.—Any coverage provided under paragraph (1) shall be subject to pre-authorization or pre-certification as required by the plan or issuer, and such coverage shall include any surgical treatment which, in the opinion of the treating physician, is medically necessary to approximate a normal appearance.

''(3) TREATMENT DEFINED.—

''(A) IN GENERAL.—In this section, the term 'treatment' includes reconstructive surgical procedures (procedures that are generally performed to improve function, but may also be performed to approximate a normal appearance) that are performed on abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors, or disease, including—

''(i) procedures that do not materially affect the function of the body part being treated; and

''(ii) procedures for secondary conditions and follow-up treatment.

''(B) EXCEPTION.—Such term does not include cosmetic surgery performed to reshape normal structures of the body to improve appearance or self-esteem.

''(b) NOTICE.—A group health plan under this part shall comply with the notice requirement under section 713(b) of the Employee Retirement Income Security Act of 1974 with respect to the requirements of this section as if such section applied to such plan.''.

(B) CONFORMING AMENDMENT.—Section 2723(c) of the Public Health Service Act (42 U.S.C. 300gg–23(c)) is amended by striking ''section 2704'' and inserting ''sections 2704 and 2707''.

(2) ERISA AMENDMENTS.—

(A) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C.

1185 et seq.) is amended by adding at the end the following new section:

"SEC. 714. STANDARDS RELATING TO BENEFITS FOR MINOR CHILD'S CONGENITAL OR DEVELOPMENTAL DEFORMITY OR DISORDER.

''(a) REQUIREMENTS FOR RECONSTRUCTIVE SURGERY.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, that provides coverage for surgical benefits shall provide coverage for outpatient and inpatient diagnosis and treatment of a minor child's congenital or developmental deformity, disease, or injury. A minor child shall include any individual up to 21 years of age.

''(2) REQUIREMENTS.—Any coverage provided under paragraph (1) shall be subject to pre-authorization or pre-certification as required by the plan or issuer, and such coverage shall include any surgical treatment which, in the opinion of the treating physician, is medically necessary to approximate a normal appearance.

''(3) TREATMENT DEFINED.—

''(A) IN GENERAL.—In this section, the term 'treatment' includes reconstructive surgical procedures (procedures that are generally performed to improve function, but may also be performed to approximate a normal appearance) that are performed on abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors, or disease, including—

''(i) procedures that do not materially affect the function of the body part being treated; and

''(ii) procedures for secondary conditions and follow-up treatment.

''(B) EXCEPTION.—Such term does not include cosmetic surgery performed to reshape normal structures of the body to improve appearance or self-esteem.

''(b) NOTICE UNDER GROUP HEALTH PLAN.—The imposition of the requirements of this section shall be treated as a material modification in the terms of the plan described in section 102(a)(1), for purposes of assuring notice of such requirements under the plan; except that the summary description required to be provided under the last sentence of section 104(b)(1) with respect to such modification shall be provided by not later than 60 days after the first day of the first plan year in which such requirements apply.''.

(B) CONFORMING AMENDMENTS.—

(i) Section 731(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191(c)) is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(ii) Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191a(a)) is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(iii) The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001) is amended by inserting after the item relating to section 713 the following new item:

''Sec. 714. Standards relating to benefits for minor child's congenital or developmental deformity or disorder.''.

(3) INTERNAL REVENUE CODE AMENDMENTS.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986 is amended—

(A) in the table of sections, by inserting after the item relating to section 9812 the following new item:

''Sec. 9813. Standards relating to benefits for minor child's congenital or developmental deformity or disorder.''; and

(B) by inserting after section 9812 the following:

"SEC. 9813. STANDARDS RELATING TO BENEFITS FOR MINOR CHILD'S CONGENITAL OR DEVELOPMENTAL DEFORMITY OR DISORDER.

''(a) REQUIREMENTS FOR RECONSTRUCTIVE SURGERY.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, that provides coverage for surgical benefits shall provide coverage for outpatient and inpatient diagnosis and treatment of a minor child's congenital or developmental deformity, disease, or injury. A minor child shall include any individual up to 21 years of age.

''(2) REQUIREMENTS.—Any coverage provided under paragraph (1) shall be subject to pre-authorization or pre-certification as required by the plan or issuer, and such coverage shall include any surgical treatment which, in the opinion of the treating physician, is medically necessary to approximate a normal appearance.

''(3) TREATMENT DEFINED.—

''(A) IN GENERAL.—In this section, the term 'treatment' includes reconstructive surgical procedures (procedures that are generally performed to improve function, but may also be performed to approximate a normal appearance) that are performed on abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors, or disease, including—

''(i) procedures that do not materially affect the function of the body part being treated; and

''(ii) procedures for secondary conditions and follow-up treatment.

''(B) EXCEPTION.—Such term does not include cosmetic surgery performed to reshape normal structures of the body to improve appearance or self-esteem.''.

(b) INDIVIDUAL HEALTH INSURANCE.—

(1) IN GENERAL.—Part B of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–41 et seq.) is amended by inserting after section 2752 the following new section:

"SEC. 2753. STANDARDS RELATING TO BENEFITS FOR MINOR CHILD'S CONGENITAL OR DEVELOPMENTAL DEFORMITY OR DISORDER.

''(a) REQUIREMENTS FOR RECONSTRUCTIVE SURGERY.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, that provides coverage for surgical benefits shall provide coverage for outpatient and inpatient diagnosis and treatment of a minor child's congenital or developmental deformity, disease, or injury. A minor child shall include any individual up to 21 years of age.

''(2) REQUIREMENTS.—Any coverage provided under paragraph (1) shall be subject to pre-authorization or pre-certification as required by the plan or issuer, and such coverage shall include any surgical treatment which, in the opinion of the treating physician, is medically necessary to approximate a normal appearance.

''(3) TREATMENT DEFINED.—

''(A) IN GENERAL.—In this section, the term 'treatment' includes reconstructive surgical procedures (procedures that are generally performed to improve function, but may also be performed to approximate a normal appearance) that are performed on abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors, or disease, including—

''(i) procedures that do not materially affect the function of the body part being treated; and

''(ii) procedures for secondary conditions and follow-up treatment.

''(B) EXCEPTION.—Such term does not include cosmetic surgery performed to reshape normal structures of the body to improve appearance or self-esteem.

''(b) NOTICE.—A health insurance issuer under this part shall comply with the notice requirement under section 714(b) of the Employee Retirement Income Security Act of 1974 with respect to the requirements referred to in subsection (a) as if such section applied to such issuer and such issuer were a group health plan.''.

(2) CONFORMING AMENDMENT.—Section 2762(b)(2) of the Public Health Service Act (42 U.S.C. 300gg–62(b)(2)) is amended by striking ''section 2751'' and inserting ''sections 2751 and 2753''.

(c) EFFECTIVE DATES.—

(1) GROUP MARKET.—The amendments made by subsection (a) shall apply with respect to group health plans for plan years beginning on or after January 1, 2000.

(2) INDIVIDUAL MARKET.—The amendment made by subsection (b) shall apply with respect to health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after such date.

(d) COORDINATED REGULATIONS.—Section 104(1) of Health Insurance Portability and Accountability Act of 1996 is amended by striking ''this subtitle (and the amendments made by this subtitle and section 401)'' and inserting ''the provisions of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, the provisions of parts A and C of title XXVII of the Public Health Service Act, and chapter 100 of the Internal Revenue Code of 1986''.●

By Mr. DEWINE (for himself, Mrs. MURRAY, Mr. ABRAHAM, and Mr. DODD):

S. 1823. A bill to revise and extend the Safe and Drug-Free Schools and Communities Act of 1994; to the Committee on Health, Education, Labor, and Pensions.

THE SAFE AND DRUG FREE SCHOOL AND COMMUNITIES ACT

Mr. DEWINE. Mr. President, it is no secret that drugs and violence destroy lives and families. They also can destroy entire neighborhoods and communities. More and more, our young people—our children—are being exposed to the evils of drugs and the dangers of violence. That is why I am introducing legislation today, along with my colleagues Senators DODD and MURRAY, that would reauthorize the Safe and Drug Free Schools program.

This program funds a wide range of drug education and prevention activities. Our bill, which was drafted with the assistance of community anti-drug organization representatives, would give states greater flexibility on targeting assistance to schools in need; increase accountability measures to ensure that assistance is targeted to programs that work; and improve coordination of Safe and Drug Free programs with other community-based anti-drug programs.

Mr. President, I have dedicated a great deal of time, both in the House and the Senate, to fighting illegal drug use in this country. Way back in 1990, as a Member of the House of Representatives, I was on the National Commission on Drug Free Schools. From my experience on this Commission, and through my work on drug prevention when I was Lieutenant Governor of Ohio, I learned that school-based prevention efforts must be coordinated

and consistent during a child's school years. Programs must not have gaps that leave our children vulnerable to the lure of drugs.

Throughout my efforts, I always have emphasized the importance of a balanced attack against drug use. We must win the fight against people who manufacture and grow drugs, we must put a stop to those who transport illegal drugs into, and through, this country, and we must fight against the dealers who their trade drugs on our streets and yes, even in our schools.

There are many fronts in the important battle against drugs. The Safe and Drug Free Schools program is one area where I think we can improve our efforts. I believe we should continue the Safe and Drug Free Schools Program, but increase the accountability of federally funded programs and focus limited resources on programs that demonstrate an actual reduction in drug use. We must provide parents, schools, and local communities with the resources and flexibility they need to reduce drug use among kids.

Every child deserves to live and go to school in a drug and violence-free community. Our bill helps ensure that our children have this opportunity. Congress first passed the Anti-Drug Abuse Act—the precursor to the Safe and Drug Free Schools and Communities Act—in 1986. This legislation was the product of an aggressive, ambitious, and comprehensive anti-drug effort, which contributed to a 25% overall reduction in adolescent drug use from 1988 to 1992. Unfortunately, over the course of this decade, much of that success was lost. Youth drug use increased dramatically, including an 80% increase in marijuana use by high school seniors, an 80% increase in cocaine use, and a 100% increase in heroin use. We must reverse this trend. We have an obligation to our kids to reverse this trend.

I believe that our children's disturbing acceptance and experimentation of life-destroying drugs is due in large part to the Administration's national anti-drug strategy, which has been neither balanced nor comprehensive. Reinvesting in an improved Safe and Drug Free Schools and Communities program is a critical part of restoring effectiveness in and purpose to our national drug policy. Our legislation would be a major assault against drugs and violence in our schools and communities, by coordinating school-based programs with the broader community anti-drug effort.

Children spend more time at school than at any single place. A quality education starts with a quality educational environment. Congress can show its commitment to this goal by continuing—and improving—our investment in the Safe and Drug Free Schools and Communities Program. Specifically, our bill would increase the accountability within the program and ensure that only effective, researched-based programs receive federal funding. Also, it would provide States and Governors with greater flexibility in targeting their grants to prevent youth violence and drug use. Each state has unique drug prevention challenges and this bill provides the states with the flexibility to target funds to all of their schools, focus on those schools with the greatest drug/violence problems, or a combination of these two groups.

Our bill would increase community participation in the development and implementation of drug and violence prevention programs. Drug abuse and violence among young people is a community problem and requires a community-based solution. That's why when we drafted this bill, we worked closely with the Community Anti-Drug Coalition of America. Thanks to their input, this bill ensures that the entire community is involved in the creation and execution of programs to fight youth drug abuse and violence. It would maintain a viable program for all schools willing to conduct research-based violence and drug abuse prevention programs.

Mr. President, the threat of violence—and the reality of drug abuse—in our schools are all too real. If we get to our kids before the drug dealers do—if we have a policy of zero tolerance on drugs—America's children have a chance. I believe that the Safe and Drug Free Schools program empowers America's families and teachers with the information, training, and resources they need to help our children resist the temptation of drugs.

Over the coming months, we will be reauthorizing the Elementary and Secondary Education Act. The Safe and Drug Free is an important part of that legislation. I look forward to working on this bill and making this country's schools safer and drug free for our kids.

Mr. President, I ask unanimous consent that the bill be entered into the RECORD.

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

S. 1823

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 ''Safe and Drug-Free Schools and Communities Reauthorization Act''.

SEC. 2. AMENDMENT TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.

Title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7101 et seq.) is amended to read as follows:

''TITLE IV—SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

''SEC. 4001. SHORT TITLE.

''This title may be cited as the 'Safe and Drug-Free Schools and Communities Act of 1994'.

''SEC. 4002. FINDINGS.

''Congress makes the following findings:

''(1) Every student should attend a school in a drug- and violence-free learning environment.

''(2) The widespread illegal use of alcohol and drugs among the Nation's secondary school students, and increasingly by students in elementary schools as well, constitutes a grave threat to such students' physical and mental well-being, and significantly impedes the learning process. For example, data show that students who drink tend to receive lower grades and are more likely to miss school because of illness than students who do not drink.

''(3) Drug and violence prevention programs are essential components of a comprehensive strategy to promote school safety, youth development, positive school outcomes, and to reduce the demand for and illegal use of alcohol, tobacco and drugs throughout the Nation. Schools, local organizations, parents, students, and communities throughout the Nation have a special responsibility to work together to combat the continuing epidemic of violence and illegal drug use and should measure the success of their programs against clearly defined goals and objectives.

''(4) Drug and violence prevention programs are most effective when implemented within a research-based, drug and violence prevention framework of proven effectiveness.

''(5) Research clearly shows that community contexts contribute to substance abuse and violence.

''(6) Substance abuse and violence are intricately related and must be dealt with in a holistic manner.

''(7) Research has documented that parental behavior and environment directly influence a child's inclination to use alcohol, tobacco or drugs.

''SEC. 4003. PURPOSE.

''The purpose of this title is to support programs that prevent violence in and around schools and prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and are coordinated with related Federal, State, school, and community efforts and resources, through the provision of Federal assistance to—

''(1) States for grants to local educational agencies and educational service agencies and consortia of such agencies to establish, operate, and improve local programs of school drug and violence prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools (including intermediate and junior high schools);

''(2) States for grants to, and contracts with, community-based organizations and other public and private nonprofit agencies and organizations for programs of drug and violence prevention including community mobilization, early intervention, rehabilitation referral, and education;

''(3) States for grants to local educational agencies and educational service agencies and consortia for the development and implementation of policies that set clear and appropriate standards regarding the illegal use of alcohol, tobacco and drugs, and for violent behavior.

''(4) States for development, training, technical assistance, and coordination activities;

''(5) public and private nonprofit organizations to provide technical assistance, conduct training, demonstrations, and evaluation, and to provide supplementary services and community mobilization activities for the prevention of drug use and violence among students and youth; and

''(6) institutions of higher education to establish, operate, expand, and improve programs of school drug and violence prevention, education, and rehabilitation referral for students enrolled in colleges and universities.

"SEC. 4004. FUNDING.

''There are authorized to be appropriated—

''(1) $700,000,000 for fiscal year 2001, and such sums as may be necessary for each of the 4 succeeding fiscal years, for State grants under subpart 1 of part A;

''(2) $100,000,000 for fiscal year 2001, and such sums as may be necessary for each of the 4 succeeding fiscal years, for national programs under subpart 2 of part A; and

''(3) $75,000,000 for fiscal year 2001, and such sums as may be necessary for each of the 4 succeeding fiscal years, for the National Coordinator Initiative under section 4122.

"PART A—STATE GRANTS FOR DRUG AND VIOLENCE PREVENTION PROGRAMS

"Subpart 1—State Grants for Drug and Violence Prevention Programs

"SEC. 4011. RESERVATIONS AND ALLOTMENTS.

''(a) RESERVATIONS.—From the amount made available under section 4004(1) to carry out this subpart for each fiscal year, the Secretary—

''(1) shall reserve 1 percent of such amount for grants under this subpart to Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with the Secretary's determination of their respective needs;

''(2) shall reserve 1 percent of such amount for the Secretary of the Interior to carry out programs under this part for Indian youth;

''(3) may reserve not more than $1,000,000 for the national impact evaluation required by section 4117(a); and

''(4) shall reserve 0.2 percent of such amount for programs for Native Hawaiians under section 4118.

''(b) STATE ALLOTMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall, for each fiscal year, allocate among the States—

''(A) one-half of the remainder not reserved under subsection (a) according to the ratio between the school-aged population of each State and the school-aged population of all the States; and

''(B) one-half of such remainder according to the ratio between the amount each State received under part A of title I for the preceding year and the sum of such amounts received by all the States.

''(2) MINIMUM.—For any fiscal year, no State shall be allotted under this subsection an amount that is less than one-half of 1 percent of the total amount allotted to all the States under this subsection.

''(3) REALLOTMENT.—The Secretary may reallot any amount of any allotment to a State if the Secretary determines that the State will be unable to use such amount within 2 years of such allotment. Such reallotments shall be made on the same basis as allotments are made under paragraph (1).

''(4) DEFINITIONS.—In this subsection:

''(A) STATE.—The term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(B) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' includes educational service agencies and consortia of such agencies.

''(c) LIMITATION.—Amounts appropriated under this section for programs under this subpart shall not be used to carry out national programs under subpart 2.

"SEC. 4112. STATE APPLICATIONS.

''(a) IN GENERAL.—In order to receive an allotment under section 4111 for any fiscal year, a State shall submit to the Secretary, at such time as the Secretary may require, an application that—

''(1) contains a comprehensive plan for the use of funds by the State educational agency and the chief executive officer to provide safe, orderly, and drug-free schools and communities;

''(2) contains the results of the State's needs assessment for drug and violence prevention programs, which shall be based on the results of on-going State evaluation activities, including data on the incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use and violence by youth in schools and communities and the prevalence of risk or protective factors, buffers or assets or other research-based variables in the school and community;

''(3) contains assurances that the sections of the application concerning the funds provided to the chief executive officer and the State educational agency were developed together, with each such officer or State representative, in consultation and coordination with appropriate State officials and others, including the chief State school officer, the chief executive officer, the head of the State alcohol and drug abuse agency, the heads of the State health and mental health agencies, the head of the State criminal justice planning agency, the head of the State child welfare agency, the head of the State board of education, or their designees, and representatives of parents, students, and community-based organizations;

''(4) contains an assurance that the State will cooperate with, and assist, the Secretary in conducting a national impact evaluation of programs required by section 4117(a);

''(5) contains assurances that the State education agency and the Governor will develop their respective applications in consultation with an advisory council that includes, to the extent practicable, representatives from school districts, businesses, parent organizations, youth, teachers, administrators, pupil services personnel, private schools, appropriate State agencies, community-based organization, the medical profession, law enforcement, the faith community and other groups with interest and expertise in alcohol, tobacco, drug, and violence prevention;

''(6) contains assurances that the State education agency and the Governor involve the representatives described in paragraph (4), on an ongoing basis, to review program evaluations and other relevant material and make recommendations to the State education agency and the Governor on how to improve their respective alcohol, tobacco, drug, and violence prevention programs;

''(7) contains a list of the State's results-based performance measures for drug and violence prevention, that shall—

''(A) be focused on student behavior and attitudes and be derived from the needs assessment;

''(B) include targets and due dates for the attainment of such performance measures; and

''(C) include a description of the procedures that the State will use to inform local educational agencies of such performance measures for assessing and publicly reporting progress toward meeting such measures or revising them as needed; and

''(8) includes any other information the Secretary may require.

''(b) STATE EDUCATIONAL AGENCY FUNDS.—A State's application under this section shall also contain a comprehensive plan for the use of funds under section 4113(a) by the State educational agency that includes—

''(1) a plan for monitoring the implementation of, and providing technical assistance regarding, the drug and violence prevention programs conducted by local educational agencies in accordance with section 4116

''(2) a description of how the State educational agency will use funds under section 4113(b);

''(3) a description of how the State educational agency will coordinate such agency's activities under this subpart with the chief executive officer's drug and violence prevention programs under this subpart and with the prevention efforts of other State agencies; and

''(4) a description of the procedures the State educational agency will use to review applications from and allocate funding to local educational agencies under section 4115.

''(c) GOVERNOR'S FUNDS.—A State's application under this section shall also contain a comprehensive plan for the use of funds under section 4114(a) by the chief executive officer that includes—

''(1) a description of how the chief executive officer will coordinate such officer's activities under this part with the State educational agency and other State agencies and organizations involved with drug and violence prevention efforts;

''(2) a description of how funds reserved under section 4114(a) will be used so as not to duplicate the efforts of the State educational agency and local educational agencies with regard to the provision of school-based prevention efforts and services and how those funds will be used to serve populations not normally served by the State educational agency, such as school dropouts and youth in detention centers;

''(3) a description of how the chief executive officer will award funds under section 4114(a) and a plan for monitoring the performance of, and providing technical assistance to, recipients of such funds;

''(4) a description of the special outreach activities that will be carried out to maximize the participation of community-based organizations of demonstrated effectiveness which provide services in low-income communities; and

''(5) a description of how funds will be used to support community-wide comprehensive drug and violence prevention planning and community mobilization activities.

''(d) PEER REVIEW.—The Secretary shall use a peer review process in reviewing State applications under this section.

''(e) INTERIM APPLICATION.—Notwithstanding any other provisions of this section, a State may submit for fiscal year 2000 a 1-year interim application and plan for the use of funds under this subpart that are consistent with the requirements of this section and contain such information as the Secretary may specify in regulations. The purpose of such interim application and plan shall be to afford the State the opportunity to fully develop and review such State's application and comprehensive plan otherwise required by this section. A State may not receive a grant under this subpart for a fiscal year subsequent to fiscal year 2000 unless the Secretary has approved such State's application and comprehensive plan in accordance with this subpart.

"SEC. 4113. STATE AND LOCAL EDUCATIONAL AGENCY PROGRAMS.

''(a) USE OF FUNDS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), an amount equal to 80 percent of the total amount allocated to a State under section 4111 for each fiscal year shall be used by the State educational agency and its local educational agencies for drug and violence prevention activities in accordance with this section.

''(2) EXCEPTION.—

''(A) IN GENERAL.—If a State has, on or before January 1, 1994, established an independent State agency for the purpose of administering all of the funds described in section 5121 of this Act (as such section was in effect on the day preceding the date of the

enactment of the Improving America's Schools Act of 1994), then—

''(i) an amount equal to 80 percent of the total amount allocated to such State under section 4111 for each fiscal year shall be used by the State educational agency and its local educational agencies for drug and violence prevention activities in accordance with this section; and

''(ii) an amount equal to 20 percent of such total amount shall be used by such independent State agency for drug and violence prevention activities in accordance with this section.

''(B) ADMINISTRATIVE COSTS.—Not more than 5 percent of the amount reserved under subparagraph (A)(ii) may be used for administrative costs of the independent State agency incurred in carrying out the activities described in such subparagraph.

''(C) DEFINITION.—For purposes of this paragraph, the term 'independent State agency' means an independent agency with a board of directors or a cabinet level agency whose chief executive officer is appointed by the chief executive officer of the State and confirmed with the advice and consent of the senate of such State.

''(b) STATE LEVEL PROGRAMS.—

''(1) IN GENERAL.—A State educational agency shall use not more than 5 percent of the amount available under subsection (a) for activities such as—

''(A) training and technical assistance concerning drug and violence prevention for local educational agencies and educational service agencies, including teachers, administrators, coaches and athletic directors, other staff, parents, students, community leaders, health service providers, local law enforcement officials, and judicial officials;

''(B) the development, identification, dissemination, and evaluation of the most readily available, accurate, and up-to-date curriculum materials (including videotapes, software, and other technology-based learning resources), for consideration by local educational agencies;

''(C) making available to local educational agencies cost effective programs for youth violence and drug abuse prevention;

''(D) demonstration projects in drug and violence prevention;

''(E) training, technical assistance, and demonstration projects to address violence associated with prejudice and intolerance;

''(F) financial assistance to enhance resources available for drug and violence prevention in areas serving large numbers of economically disadvantaged children or sparsely populated areas, or to meet other special needs consistent with the purposes of this subpart; and

''(G) the evaluation of activities carried out within the State under this part.

''(2) SPECIAL RULE.—A State educational agency may carry out activities under this subsection directly, or through grants or contracts.

''(c) STATE ADMINISTRATION.—

''(1) IN GENERAL.—A State educational agency may use not more than 4 percent of the amount reserved under subsection (a) for the administrative costs of carrying out its responsibilities under this part.

''(2) UNIFORM MANAGEMENT INFORMATION AND REPORTING SYSTEM.—In carrying out its responsibilities under this part, a State shall implement a uniform management information and reporting system that includes information on the types of curricula, programs and services provided by the State, Governor, local education agencies, and other recipients of funds under this title.

''(d) LOCAL EDUCATIONAL AGENCY PROGRAMS.—

''(1) IN GENERAL.—A State educational agency shall distribute not less than 91 percent of the amount made available under subsection (a) for each fiscal year to local educational agencies in accordance with this subsection.

''(2) DISTRIBUTION.—A State educational agency shall distribute amounts under paragraph (1) in accordance with any one of the following subparagraphs:

''(A) ENROLLMENT AND BASELINE APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute—

''(i) at least 70 percent of such amount to local educational agencies, based on the relative enrollments in public and private nonprofit elementary and secondary schools within the boundaries of such agencies; and

''(ii) not to exceed 30 percent of any amounts remaining after amounts are distributed under clause (i) to each local educational agency in an amount determined appropriate by the State education agency.

''(B) ENROLLMENT AND NEED APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute—

''(i) at least 70 percent of such amount in accordance with subparagraph (A)(i); and

''(ii) not to exceed 30 percent of any amounts remaining after amounts are distributed under clause (i) to local educational agencies that the State education agency determines have the greatest need for additional funds to carry out drug and violence prevention programs authorized by this subpart.

''(C) ENROLLMENT AND COMBINATION APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute

''(i) at least 70 percent of such amount to local educational agencies, based on the relative enrollments in public and private nonprofit elementary and secondary schools within the boundaries of such agencies; and

''(ii) not to exceed 30 percent of any amounts remaining after amounts are distributed under clause (i)—

''(I) to each local educational agency in an amount determined appropriate by the State education agency; or

''(II) to local educational agencies that the State education agency determines have the greatest need for additional funds to carry out drug and violence prevention programs authorized by this subpart.

''(D) COMPETITIVE AND NEED APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute

''(i) not to exceed 70 percent of such amount to local educational agencies that the State agency determines, through a competitive process, have the greatest need for funds to carry out drug and violence prevention programs based on criteria established by the State agency and authorized under this subpart; and

''(ii) at least 30 percent of any amounts remaining after amounts are distributed under clause (i) to local education agencies that the State agency determines have a need for additional funds to carry out the program authorized under this subpart.

''(3) CONSIDERATION OF OBJECTIVE DATA.—For purposes of paragraph (2), in determining which local educational agencies have the greatest need for funds, the State educational agency shall consider objective data which may include—

''(A) high rates of alcohol or drug use among youth;

''(B) high rates of victimization of youth by violence and crime;

''(C) high rates of arrests and convictions of youth for violent or drug- or alcohol-related crime;

''(D) the extent of illegal gang activity;

''(E) high incidence of violence associated with prejudice and intolerance;

''(F) high rates of referrals of youths to drug and alcohol abuse treatment and rehabilitation programs;

''(G) high rates of referrals of youths to juvenile court;

''(H) high rates of expulsions and suspensions of students from schools;

''(I) high rates of reported cases of child abuse and domestic violence;

''(J) high rates of drug related emergencies or deaths; and

''(K) local fiscal capacity to fund drug use and violence prevention programs without Federal assistance.

''(e) REALLOCATION OF FUNDS.—If a local educational agency chooses not to apply to receive the amount allocated to such agency under subsection (d), or if such agency's application under section 4115 is disapproved by the State educational agency, the State educational agency shall reallocate such amount to one or more of the local educational agencies.

''(f) RETURN OF FUNDS TO STATE EDUCATIONAL AGENCY; REALLOCATION.—

''(1) RETURN.—Except as provided in paragraph (2), upon the expiration of the 1-year period beginning on the date that a local educational agency or educational service agency under this title receives its allocation under this title—

''(A) such agency shall return to the State educational agency any funds from such allocation that remain unobligated; and

''(B) the State educational agency shall reallocate any such amount to local educational agencies or educational service agencies that have plans for using such amount for programs or activities on a timely basis.

''(2) REALLOCATION.—In any fiscal year, a local educational agency, may retain for obligation in the succeeding fiscal year—

''(A) an amount equal to not more than 25 percent of the allocation it receives under this title for such fiscal year; or

''(B) upon a demonstration of good cause by such agency or consortium, a greater amount approved by the State educational agency.

''SEC. 4114. GOVERNOR'S PROGRAMS.

''(a) USE OF FUNDS.—

''(1) IN GENERAL.—An amount equal to 20 percent of the total amount allocated to a State under section 4111(1) for each fiscal year shall be used by the chief executive officer of such State for drug and violence prevention programs and activities in accordance with this section.

''(2) ADMINISTRATIVE COSTS.—A chief executive officer may use not more than 5 percent of the 20 percent of the total amount described in paragraph (1) for the administrative costs incurred in carrying out the duties of such officer under this section. The chief executive officer of a State may use amounts under this paragraph to award grants to State, county, or local law enforcement agencies, including district attorneys, in consultation with local education agencies or community-based agencies, for the purposes of carrying out drug abuse and violence prevention activities.

''(b) PROGRAMS AUTHORIZED.—

''(1) IN GENERAL.—A chief executive officer shall use funds made available under subsection (a)(1) for grants to or contracts with parent groups, schools, community action and job training agencies, community-based organizations, community anti-drug coalitions, law enforcement education partnerships, and other public entities and private nonprofit organizations and consortia thereof. In making such grants and contracts, a chief executive officer shall give priority to programs and activities described in subsection (c) for—

''(A) children and youth who are not normally served by State or local educational agencies; or

''(B) populations that need special services or additional resources (such as preschoolers, youth in juvenile detention facilities, runaway or homeless children and youth, pregnant and parenting teenagers, and school dropouts).

''(2) PEER REVIEW.—Grants or contracts awarded under this subsection shall be subject to a peer review process.

''(c) AUTHORIZED ACTIVITIES.—Grants and contracts under subsection (b) shall be used to carry out the comprehensive State plan as required under section 4112(a)(1) through programs and activities such as—

''(1) disseminating information about drug and violence prevention;

''(2) training parents, law enforcement officials, judicial officials, social service providers, health service providers and community leaders about drug and violence prevention, comprehensive health education, early intervention, pupil services, or rehabilitation referral;

''(3) developing and implementing comprehensive, community-based drug and violence prevention programs that link community resources with schools and integrate services involving education, vocational and job skills training and placement, law enforcement, health, mental health, community service, mentoring, and other appropriate services;

''(4) planning and implementing drug and violence prevention activities that coordinate the efforts of State agencies with efforts of the State educational agency and its local educational agencies;

''(5) activities to protect students traveling to and from school;

''(6) before-and-after school recreational, instructional, cultural, and artistic programs that encourage drug- and violence-free lifestyles;

''(7) activities that promote the awareness of and sensitivity to alternatives to violence through courses of study that include related issues of intolerance and hatred in history;

''(8) developing and implementing activities to prevent and reduce violence associated with prejudice and intolerance;

''(9) developing and implementing strategies to prevent illegal gang activity;

''(10) coordinating and conducting school and community-wide violence and safety assessments and surveys;

''(11) service-learning projects that encourage drug- and violence-free lifestyles;

''(12) evaluating programs and activities assisted under this section;

''(13) developing and implementing community mobilization activities to undertake environmental change strategies related to substance abuse and violence; and

''(14) partnerships between local law enforcement agencies, including district attorneys, and local education agencies or community-based agencies.

''SEC. 4115. LOCAL APPLICATIONS.

''(a) APPLICATION REQUIRED.—

''(1) IN GENERAL.—In order to be eligible to receive a distribution under section 4113(d) for any fiscal year, a local educational agency shall submit, at such time as the State educational agency requires, an application to the State educational agency for approval. Such an application shall be amended, as necessary, to reflect changes in the local educational agency's program.

''(2) DEVELOPMENT.—

''(A) CONSULTATION.—A local educational agency shall develop its application under subsection (a)(1) in consultation with a local or substate regional advisory council that includes, to the extent possible, representatives of local government, business, parents, students, teachers, pupil services personnel, appropriate State agencies, private schools, the medical profession, law enforcement, community-based organizations, and other groups with interest and expertise in drug and violence prevention.

''(B) DUTIES OF ADVISORY COUNCIL.—In addition to assisting the local educational agency to develop an application under this section, the advisory council established or designated under subparagraph (A) shall, on an ongoing basis—

''(i) disseminate information about drug and violence prevention programs, projects, and activities conducted within the boundaries of the local educational agency;

''(ii) advise the local educational agency regarding—

''(I) how best to coordinate such agency's activities under this subpart with other related programs, projects, and activities; and

''(II) the agencies that administer such programs, projects, and activities; and

''(iii) review program evaluations and other relevant material and make recommendations on an active and ongoing basis to the local educational agency on how to improve such agency's drug and violence prevention programs.

''(b) CONTENTS OF APPLICATIONS.—An application under this section shall contain—

''(1) an objective analysis of the current use (and consequences of such use) of alcohol, tobacco, and controlled, illegal, addictive or harmful substances as well as the violence, safety, and discipline problems among students who attend the schools of the applicant (including private school students who participate in the applicant's drug and violence prevention program) that is based on ongoing local assessment or evaluation activities;

''(2) an analysis, based on data reasonably available at the time, of the prevalence of risk or protective factors, buffers or assets or other research-based variables in the school and community;

''(3) a description of the research-based strategies and programs, which shall be used to prevent or reduce drug use, violence, or disruptive behavior, which shall include—

''(A) a specification of the objectively measurable goals, objectives, and activities for the program, which may include—

''(i) reductions in the use of alcohol, tobacco, and illicit drugs and violence by youth;

''(ii) specific reductions in the prevalence of identified risk factors; or

''(iii) specific increases in the prevalence of protective factors, buffers, or assets if any have been identified;

''(B) a specification for how risk factors, if any, which have been identified will be targeted through research-based programs; and

''(C) a specification for how protective factors, buffers, or assets, if any, will be targeted through research-based programs;

''(4) a specification for the method or methods by which measurements of program goals will be achieved;

''(5) a specification for how the evaluation of the effectiveness of the prevention program will be assessed and how the results will be used to refine, improve, and strengthen the program;

''(6) an assurance that the applicant has, or the schools to be served have, a comprehensive safe and drug-free schools plan that includes—

''(A) appropriate and effective discipline policies that prohibit disorderly conduct, the possession of firearms and other weapons, and the illegal use, possession, distribution, and sale of tobacco, alcohol, and other drugs by students;

''(B) security procedures at school and while students are on the way to and from school;

''(C) prevention activities that are designed to create and maintain safe, disciplined, and drug-free environments; and

''(D) a crisis management plan for responding to violent or traumatic incidents on school grounds; and

''(7) such other information and assurances as the State educational agency may reasonably require.

''(c) REVIEW OF APPLICATION.—

''(1) IN GENERAL.—In reviewing local applications under this section, a State educational agency shall use a peer review process or other methods of assuring the quality of such applications.

''(2) CONSIDERATIONS.—

''(A) IN GENERAL.—In determining whether to approve the application of a local educational agency under this section, a State educational agency shall consider the quality of the local educational agency's comprehensive plan under subsection (b)(6) and the extent to which the proposed plan provides a thorough assessment of the substance abuse and violence problem, uses objective data and the knowledge of a wide range of community members, develops measurable goals and objectives, and implements research-based programs that have been shown to be effective and meet identified needs.

''(B) DISAPPROVAL.—A State educational agency may disapprove a local educational agency application under this section in whole or in part and may withhold, limit, or place restrictions on the use of funds allotted to such a local educational agency in a manner the State educational agency determines will best promote the purposes of this part, except that a local educational agency shall be afforded an opportunity to appeal any such disapproval.

''SEC. 4116. LOCAL DRUG AND VIOLENCE PREVENTION PROGRAMS.

''(a) PROGRAM REQUIREMENTS.—A local educational agency shall use funds received under this subpart to adopt and carry out a comprehensive drug and violence prevention program which shall—

''(1) be designed, for all students and employees, to—

''(A) prevent the use, possession, and distribution of tobacco, alcohol, and illegal drugs by students and to prevent the illegal use, possession, and distribution of such substances by employees;

''(B) prevent violence and promote school safety; and

''(C) create a disciplined environment conducive to learning;

''(2) include activities to promote the involvement of parents and coordination with community groups and agencies, including the distribution of information about the local educational agency's needs, goals, and programs under this subpart;

''(3) implement activities which include—

''(A) a thorough assessment of the substance abuse violence problem, using objective data and the knowledge of a wide range of community members;

''(B) the development of measurable goals and objectives; and

''(C) the implementation of research-based programs that have been shown to be effective and meet identified goals;

''(4) implement prevention programming activities within the context of a research-based prevention framework; and

''(5) include a description of the applicant's tobacco, alcohol, and other drug policies.

''(b) AUTHORIZED ACTIVITIES.—A comprehensive drug and violence prevention program carried out under this subpart may include—

''(1) age-appropriate, developmentally based drug prevention and education programs for all students, from the preschool level through grade 12, that address the legal, social, personal and health consequences of the use of illegal drugs, promote a sense of individual responsibility, and provide information about effective techniques for resisting peer pressure to use illegal drugs;

''(2) programs of drug prevention, comprehensive health education, early intervention, pupil services, mentoring, or rehabilitation referral, which emphasize students' sense of individual responsibility and which may include—

''(A) the dissemination of information about drug prevention;

''(B) the professional development of school personnel, parents, students, law enforcement officials, judicial officials, health service providers and community leaders in prevention, education, early intervention, pupil services or rehabilitation referral; and

''(C) the implementation of strategies, including strategies to integrate the delivery of services from a variety of providers, to combat illegal alcohol, tobacco and drug use, such as—

''(i) family counseling;

''(ii) early intervention activities that prevent family dysfunction, enhance school performance, and boost attachment to school and family; and

''(iii) activities, such as community service and service-learning projects, that are designed to increase students' sense of community;

''(3) age-appropriate, developmentally based violence prevention and education programs for all students, from the preschool level through grade 12, that address the legal, health, personal, and social consequences of violent and disruptive behavior, including sexual harassment and abuse, and victimization associated with prejudice and intolerance, and that include activities designed to help students develop a sense of individual responsibility and respect for the rights of others, and to resolve conflicts without violence, or otherwise decrease the prevalence of risk factors or increase the prevalence of protective factors, buffers, or assets in the community;

''(4) violence prevention programs for school-aged youth, which emphasize students' sense of individual responsibility and may include—

''(A) the dissemination of information about school safety and discipline;

''(B) the professional development of school personnel, parents, students, law enforcement officials, judicial officials, and community leaders in designing and implementing strategies to prevent school violence;

''(C) the implementation of strategies, such as conflict resolution and peer mediation, student outreach efforts against violence, anti-crime youth councils (which work with school and community-based organizations to discuss and develop crime prevention strategies), and the use of mentoring programs, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse; and

''(D) the development and implementation of character education programs, as a component of a comprehensive drug or violence prevention program, that are tailored by communities, parents and schools; and

''(E) comprehensive, community-wide strategies to prevent or reduce illegal gang activities and drug use;

''(5) supporting 'safe zones of passage' for students between home and school through such measures as Drug- and Weapon-Free School Zones, enhanced law enforcement, and neighborhood patrols;

''(6) acquiring and installing metal detectors and hiring security personnel;

''(7) professional development for teachers and other staff and curricula that promote the awareness of and sensitivity to alternatives to violence through courses of study that include related issues of intolerance and hatred in history;

''(8) the promotion of before-and-after school recreational, instructional, cultural, and artistic programs in supervised community settings;

''(9) other research-based prevention programming that is—

''(A) effective in reducing the prevalence of alcohol, tobacco or drug use, and violence in youth;

''(B) effective in reducing the prevalence of risk factors predictive of increased alcohol, tobacco or drug use, and violence; or

''(C) effective in increasing the prevalence of protective factors, buffers, and assets predictive of decreased alcohol, tobacco or drug use and violence among youth;

''(10) the collection of objective data used to assess program needs, program implementation, or program success in achieving program goals and objectives;

''(11) community involvement activities including community rehabilitation;

''(12) parental involvement and training; and

''(13) the evaluation of any of the activities authorized under this subsection.

''(c) LIMITATIONS.—

''(1) IN GENERAL.—Not more than 20 percent of the funds made available to a local educational agency under this subpart may be used to carry out the activities described in paragraphs (5) and (6) of subsection (b).

''(2) SPECIAL RULE.—A local educational agency shall only be able to use funds received under this subpart for activities described in paragraphs (5) and (6) of subsection (b) if funding for such activities is not received from other Federal agencies.

''(d) ADMINISTRATIVE PROVISIONS.—Notwithstanding any other provisions of law, any funds expended prior to July 1, 1995, under part B of the Drug-Free Schools and Communities Act of 1986 (as in effect prior to enactment of the Improving America's Schools Act) for the support of a comprehensive school health program shall be deemed to have been authorized by part B of such Act.

''SEC. 4117. EVALUATION AND REPORTING.

''(a) NATIONAL IMPACT EVALUATION.—

''(1) BIENNIAL EVALUATION.—The Secretary, in consultation with the National Advisory Committee, shall conduct an independent biennial evaluation of the national impact of programs assisted under this subpart and of other recent and new initiatives to combat violence in schools. The evaluation shall report on—

''(A) whether funded community and local education agency programs—

''(i) provided a thorough assessment of the substance abuse and violence problem;

''(ii) used objective data and the knowledge of a wide range of community members;

''(iii) developed measurable goals and objectives; and

''(iv) implemented a research-based program that has been show to be effective and meet identified needs;

''(B) whether funded community and local education agency programs have been designed and implemented in a manner that specifically targets, if relevant to the program—

''(i) research-based variables that are predictive of drug use or violence;

''(ii) risk factors that are predictive of an increased likelihood that young people will use drugs, alcohol or tobacco or engage in violence or drop out of school; or

''(iii) protective factors, buffers, or assets that are known to protect children and youth from exposure to risk, either by reducing the exposure to risk factors or by changing the way the young person responds to risk, and to increase the likelihood of positive youth development; and

''(C) whether funded community and local education agency programs have appreciably reduced the level of drug, alcohol and tobacco use and school violence and the presence of firearms at schools.

''(2) DATA COLLECTION.—The National Center for Education Statistics shall collect data to determine the frequency, seriousness, incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use and violence in elementary and secondary schools in the States. The Secretary shall collect the data using, wherever appropriate, data submitted by the States pursuant to subsection (b)(2)(B).

''(3) BIENNIAL REPORT.—Not later than January 1, 2002, and every 2 years thereafter, the Secretary shall submit to the President and Congress a report on the findings of the evaluation conducted under paragraph (1) together with the data collected under paragraph (2).

''(b) STATE REPORT.—

''(1) IN GENERAL.—By October 1, 2001, and every 2 years thereafter, the chief executive officer of the State, in cooperation with the State educational agency, shall submit to the Secretary a report—

''(A) on the implementation and outcomes of State programs under section 4114 and section 4113(b) and local educational agency programs under section 4113(d), as well as an assessment of their effectiveness; and

''(B) on the State's progress toward attaining its goals for drug and violence prevention under subsections (b)(1) and (c)(1) of section 4112.

''(2) SPECIAL RULE.—The report required by this subsection shall be—

''(A) in the form specified by the Secretary;

''(B) based on the State's ongoing evaluation activities, and shall include data on the incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use and violence by youth in schools and communities; and

''(C) made readily available to the public.

''(c) LOCAL EDUCATIONAL AGENCY REPORT.—

''(1) IN GENERAL.—Each local educational agency receiving funds under this subpart shall submit to the State educational agency such information that the State requires to complete the State report required by subsection (b).

''(2) AVAILABILITY.—Information under paragraph (1) shall be made readily available to the public.

''(3) PROVISION OF DOCUMENTATION.—Not later than January 1 of each year that a State is required to report under subsection (b), the Secretary shall provide to the State education agency all of the necessary documentation required for compliance with this section.

''SEC. 4118. PROGRAMS FOR NATIVE HAWAIIANS.

''(a) GENERAL AUTHORITY.—From the funds made available pursuant to section 4111(a)(4) to carry out this section, the Secretary shall make grants to or enter into cooperative agreements or contracts with organizations primarily serving and representing Native Hawaiians which are recognized by the Governor of the State of Hawaii to plan, conduct, and administer programs, or portions thereof, which are authorized by and consistent with the provisions of this title for the benefit of Native Hawaiians.

''(b) DEFINITION OF NATIVE HAWAIIAN.—For the purposes of this section, the term 'Native Hawaiian' means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

''Subpart 2—National Programs

''SEC. 4121. FEDERAL ACTIVITIES.

''(a) PROGRAM AUTHORIZED.—From funds made available to carry out this subpart under section 4004(2), the Secretary, in consultation with the Secretary of Health and Human Services, the Director of the Office of National Drug Control Policy, and the Attorney General, shall carry out programs to prevent the illegal use of drugs and violence among, and promote safety and discipline for, students at all educational levels from preschool through the postsecondary level. The Secretary shall carry out such programs directly, or through grants, contracts, or cooperative agreements with public and private nonprofit organizations and individuals, or through agreements with other Federal agencies, and shall coordinate such programs with other appropriate Federal activities. Such programs may include—

''(1) the development and demonstration of innovative strategies for training school personnel, parents, and members of the community, including the demonstration of model preservice training programs for prospective school personnel;

''(2) demonstrations and rigorous evaluations of innovative approaches to drug and violence prevention;

''(3) the provision of information on drug abuse education and prevention to the Secretary of Health and Human Services for dissemination by the clearinghouse for alcohol and drug abuse information established under section 501(d)(16) of the Public Health Service Act;

''(4) the development of curricula related to child abuse prevention and education and the training of personnel to teach child abuse education and prevention to elementary and secondary schoolchildren;

''(5) program evaluations in accordance with section 14701 that address issues not addressed under section 4117(a);

''(6) direct services to schools and school systems afflicted with especially severe drug and violence problems or to support crisis situations and appropriate response efforts;

''(7) activities in communities designated as empowerment zones or enterprise communities that will connect schools to community-wide efforts to reduce drug and violence problems;

''(8) developing and disseminating drug and violence prevention materials, including video-based projects and model curricula;

''(9) developing and implementing a comprehensive violence prevention strategy for schools and communities, that may include conflict resolution, peer mediation, the teaching of law and legal concepts, and other activities designed to stop violence;

''(10) the implementation of innovative activities, such as community service projects, designed to rebuild safe and healthy neighborhoods and increase students' sense of individual responsibility;

''(11) grants to noncommercial telecommunications entities for the production and distribution of national video-based projects that provide young people with models for conflict resolution and responsible decisionmaking;

''(12) the development of education and training programs, curricula, instructional materials, and professional training and development for preventing and reducing the incidence of crimes and conflicts motivated by hate in localities most directly affected by hate crimes; and

''(13) other activities that meet unmet national needs related to the purposes of this title.

''(b) PEER REVIEW.—The Secretary shall use a peer review process in reviewing applications for funds under this section.

''SEC. 4122. NATIONAL COORDINATOR PROGRAM.

''(a) IN GENERAL.—The Secretary shall provide for the establishment of a National Coordinator Program under which the Secretary shall award grants to local education agencies for the hiring of drug prevention and school safety program coordinators.

''(b) USE OF FUNDS.—Amounts received under a grant under subsection (a) shall be used by local education agencies to recruit, hire, and train individuals to serve as drug prevention and school safety program coordinators in schools with significant drug and school safety problems. Such coordinators shall be responsible for developing, conducting, and analyzing assessments of drug and crime problems at their schools, and administering the safe and drug free grant program at such schools.

''SEC. 4123. SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES ADVISORY COMMITTEE.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is hereby established an advisory committee to be known as the 'Safe and Drug Free Schools and Communities Advisory Committee' (referred to in this section as the 'Advisory Committee') to—

''(A) consult with the Secretary under subsection (b);

''(B) coordinate Federal school- and community-based substance abuse and violence prevention programs and reduce duplicative research or services;

''(C) develop core data sets and evaluation protocols for safe and drug free school- and community-based programs;

''(D) provide technical assistance and training for safe and drug free school- and community-based programs;

''(E) provide for the diffusion of research-based safe and drug free school- and community-based programs; and

''(F) review other regulations and standards developed under this title.

''(2) COMPOSITION.—The Advisory Committee shall be composed of representatives from—

''(A) the Department of Education,

''(B) the Centers for Disease Control and Prevention;

''(C) the National Institute on Drug Abuse;

''(D) the National Institute on Alcoholism and Alcohol Abuse;

''(E) the Center for Substance Abuse Prevention;

''(F) the Center for Mental Health Services;

''(G) the Office of Juvenile Justice and Delinquency Prevention;

''(H) the Office of National Drug Control Policy; and

''(I) State and local governments, including education agencies.

''(3) CONSULTATION.—In carrying out its duties under this section, the Advisory Committee shall annually consult with interested State and local coordinators of school- and community-based substance abuse and violence prevention programs and other interested groups.

''(b) PROGRAMS.—

''(1) IN GENERAL.—From funds made available to carry out this subpart, the Secretary, in consultation with the Advisory Committee, shall carry out research-based programs to strengthen the accountability and effectiveness of the State, Governor's, and national programs under this title.

''(2) GRANTS, CONTRACTS OR COOPERATIVE AGREEMENTS.—The Secretary shall carry out paragraph (1) directly or through grants, contracts, or cooperative agreements with public and nonprofit private organizations and individuals or through agreements with other Federal agencies.

''(3) COORDINATION.—The Secretary shall coordinate programs under this section with other appropriate Federal activities.

''(4) ACTIVITIES.—Activities that may be carried out under programs funded under this section may include—

''(A) the provision of technical assistance and training, in collaboration with other Federal agencies utilizing their expertise and national and regional training systems, for Governors, State education agencies and local education agencies to support high quality, effective programs that—

''(i) provide a thorough assessment of the substance abuse and violence problem;

''(ii) utilize objective data and the knowledge of a wide range of community members;

''(iii) develop measurable goals and objectives; and

''(iv) implement research-based activities that have been shown to be effective and that meet identified needs;

''(B) the provision of technical assistance and training to foster program accountability;

''(C) the diffusion and dissemination of best practices and programs;

''(D) the development of core data sets and evaluation tools;

''(E) program evaluations;

''(F) the provision of information on drug abuse education and prevention to the Secretary of Health and Human Services for dissemination by the Clearinghouse for Alcohol and Drug Abuse Information established under section 501(d)(16) of the Public Health Service Act; and

''(G) other activities that meet unmet needs related to the purposes of this title and that are undertaken in consultation with the Advisory Committee.

''SEC. 4124. HATE CRIME PREVENTION.

''(a) GRANT AUTHORIZATION.—From funds made available to carry out this subpart under section 4004(1) the Secretary may make grants to local educational agencies and community-based organizations for the purpose of providing assistance to localities most directly affected by hate crimes.

''(b) USE OF FUNDS.—

''(1) PROGRAM DEVELOPMENT.—Grants under this section may be used to improve elementary and secondary educational efforts, including—

''(A) development of education and training programs designed to prevent and to reduce the incidence of crimes and conflicts motivated by hate;

''(B) development of curricula for the purpose of improving conflict or dispute resolution skills of students, teachers, and administrators;

''(C) development and acquisition of equipment and instructional materials to meet the needs of, or otherwise be part of, hate crime or conflict programs; and

''(D) professional training and development for teachers and administrators on the causes, effects, and resolutions of hate crimes or hate-based conflicts.

''(2) IN GENERAL.—In order to be eligible to receive a grant under this section for any fiscal year, a local educational agency, or a local educational agency in conjunction with a community-based organization, shall submit an application to the Secretary in such form and containing such information as the office may reasonably require.

''(3) REQUIREMENTS.—Each application under paragraph (2) shall include—

''(A) a request for funds for the purposes described in this section;

''(B) a description of the schools and communities to be served by the grants; and

''(C) assurances that Federal funds received under this section shall be used to supplement, not supplant, non-Federal funds.

''(4) COMPREHENSIVE PLAN.—Each application shall include a comprehensive plan that contains—

''(A) a description of the hate crime or conflict problems within the schools or the community targeted for assistance;

''(B) a description of the program to be developed or augmented by such Federal and matching funds;

''(C) assurances that such program or activity shall be administered by or under the supervision of the applicant;

''(D) proper and efficient administration of such program; and

''(E) fiscal control and fund accounting procedures as may be necessary to ensure prudent use, proper disbursement, and accurate accounting of funds received under this section.

''(c) AWARD OF GRANTS.—

''(1) SELECTION OF RECIPIENTS.—The Secretary shall consider the incidence of crimes and conflicts motivated by bias in the targeted schools and communities in awarding grants under this section.

''(2) GEOGRAPHIC DISTRIBUTION.—The Secretary shall attempt, to the extent practicable, to achieve an equitable geographic distribution of grant awards.

''(3) DISSEMINATION OF INFORMATION.—The Secretary shall attempt, to the extent practicable, to make available information regarding successful hate crime prevention programs, including programs established or expanded with grants under this section.

''(d) REPORTS.—The Secretary shall submit to the Congress a report every two years which shall contain a detailed statement regarding grants and awards, activities of grant recipients, and an evaluation of programs established under this section.

''Subpart 3—General Provisions

''SEC. 4131. DEFINITIONS.

''In this part:

''(1) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a private nonprofit organization which is representative of a community or significant segments of a community and which provides educational or related services to individuals in the community.

''(2) DRUG AND VIOLENCE PREVENTION.—The term 'drug and violence prevention' means—

''(A) with respect to drugs, prevention, early intervention, rehabilitation referral, or education related to the illegal use of alcohol and the use of controlled, illegal, addictive, or harmful substances, including inhalants and anabolic steroids;

''(B) prevention, early intervention, smoking cessation activities, or education, related to the use of tobacco by children and youth eligible for services under this title; and

''(C) with respect to violence, the promotion of school safety, such that students and school personnel are free from violent and disruptive acts, including sexual harassment and abuse, and victimization associated with prejudice and intolerance, on school premises, going to and from school, and at school-sponsored activities, through the creation and maintenance of a school environment that is free of weapons and fosters individual responsibility and respect for the rights of others.

''(3) HATE CRIME.—The term 'hate crime' means a crime as described in section 1(b) of the Hate Crime Statistics Act of 1990.

''(4) NONPROFIT.—The term 'nonprofit', as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

''(5) OBJECTIVELY MEASURABLE GOALS.—The term 'objectively measurable goals' means prevention programming goals defined through use of quantitative epidemiological data measuring the prevalence of alcohol, tobacco, and other drug use, violence, and the prevalence of risk and protective factors predictive of these behaviors, collected through a variety of methods and sources known to provide high quality data.

''(6) PROTECTIVE FACTOR, BUFFER, OR ASSET.—The terms 'protective factor', 'buffer', and 'asset' mean any one of a number of the community, school, family, or peer-individual domains that are known, through prospective, longitudinal research efforts, or which are grounded in a well-established theoretical model of prevention, and have been shown to prevent alcohol, tobacco, or illicit drug use, as well as violent behavior, by youth in the community, and which promote positive youth development.

''(7) RISK FACTOR.—The term 'risk factor' means any one of a number of characteristics of the community, school, family, or peer-individual domains that are known, through prospective, longitudinal research efforts, to be predictive of alcohol, tobacco, and illicit drug use, as well as violent behavior, by youth in the school and community.

''(8) SCHOOL-AGED POPULATION.—The term 'school-aged population' means the population aged five through 17, as determined by the Secretary on the basis of the most recent satisfactory data available from the Department of Commerce.

''(9) SCHOOL PERSONNEL.—The term 'school personnel' includes teachers, administrators, guidance counselors, social workers, psychologists, nurses, librarians, and other support staff who are employed by a school or who perform services for the school on a contractual basis.

''SEC. 4132. MATERIALS.

''(a) 'ILLEGAL AND HARMFUL' MESSAGE.—Drug prevention programs supported under this part shall convey a clear and consistent message that the illegal use of alcohol and other drugs is illegal and harmful.

''(b) CURRICULUM.—The Secretary shall not prescribe the use of specific curricula for programs supported under this part, but may evaluate the effectiveness of such curricula and other strategies in drug and violence prevention.

''SEC. 4133. PROHIBITED USES OF FUNDS.

''No funds under this part may be used for—

''(1) construction (except for minor remodeling needed to accomplish the purposes of this part); and

''(2) medical services, drug treatment or rehabilitation, except for pupil services or referral to treatment for students who are victims of or witnesses to crime or who use alcohol, tobacco, or drugs.

''SEC. 4134. QUALITY RATING.

''(a) IN GENERAL.—The chief executive officer of each State, or in the case of a State in which the constitution or law of such State designates another individual, entity, or agency in the State to be responsible for education activities, such individual, entity, or agency, is authorized and encouraged—

''(1) to establish a standard of quality for drug, alcohol, and tobacco prevention programs implemented in public elementary schools and secondary schools in the State in accordance with subsection (b); and

''(2) to identify and designate, upon application by a public elementary school or secondary school, any such school that achieves such standard as a quality program school.

''(b) CRITERIA.—The standard referred to in subsection (a) shall address, at a minimum—

''(1) a comparison of the rate of illegal use of drugs, alcohol, and tobacco by students enrolled in the school for a period of time to be determined by the chief executive officer of the State;

''(2) the rate of suspensions or expulsions of students enrolled in the school for drug, alcohol, or tobacco-related offenses;

''(3) the effectiveness of the drug, alcohol, or tobacco prevention program as proven by research;

''(4) the involvement of parents and community members in the design of the drug, alcohol, and tobacco prevention program; and

''(5) the extent of review of existing community drug, alcohol, and tobacco prevention programs before implementation of the public school program.

''(c) REQUEST FOR QUALITY PROGRAM SCHOOL DESIGNATION.—A school that wishes to receive a quality program school designation shall submit a request and documentation of compliance with this section to the chief executive officer of the State or the individual, entity, or agency described in subsection (a), as the case may be.

''(d) PUBLIC NOTIFICATION.—Not less than once a year, the chief executive officer of each State or the individual, entity, or agency described in subsection (a), as the case may be, shall make available to the public a list of the names of each public school in the State that has received a quality program school designation in accordance with this section.''.

Mrs. MURRAY. Mr. President, today I join with Senators DEWINE, DODD, and ABRAHAM to introduce a bill to reauthorize the Safe and Drug-Free Schools and Communities Act. This bill sends a strong signal to American schools and communities about the importance of creating a safe learning environment in the wake of recent tragedies in Littleton, Colorado; Springfield, Oregon; Paducah, Kentucky; and Moses Lake, Washington. It serves as a reminder that we haven't forgotten these and many other tragedies, and that the Senate recognizes all communities need funding and tools to effectively reduce violence and drug use.

The hallmark of the bill is a new emphasis on accountability for results in creating safer schools and using research-proven prevention strategies. The bill reauthorizes the Safe and Drug-Free Schools and Communities Act, and authorizes funding of $875 million to local school districts that they can use flexibly to address local needs for the prevention of violence and drug use.

In exchange, schools must invest in strategies that are shown to be effective in reducing drug use, discipline problems, and school violence.

What we've learned from recent school tragedies is that this can happen anywhere in America. No school is immune from problems, so every school community must take steps to prevent them.

We know that local educators know best how to prevent these problems, whether through offering after-school programs, or working with parent groups and law enforcement to reduce gang activity, or getting young people

more involved in their community activities. This bill gives communities the tools to make a measurable difference—and recognizes that we won't prevent violence unless we all work together in partnership.

Our legislation is based on more than a year of conversations with local educators in Washington state and around the country. I have worked closely with Senators DODD, DEWINE, ABRAHAM and other Senators from both sides of the aisle to assure that we find areas of agreement early, so that we can make real progress in our discussions as we move forward. The bill emphasizes results and accountability, but gives communities flexibility to get there. Recognizing that no efforts can succeed to make young people safe and drug free—inside or outside of the classroom—without all elements of the community working together. The bill assumes collaboration and communication at all levels and across all barriers.

There are several areas where this bill does not yet reflect a full vision of how we can help schools and communities prevent violence and drug use. We need to continue working on national activities, on school safety planning, on coordination, and on other areas. We need to address the concerns of other Members who have not yet participated in the debate. However, this bill is a good, bipartisan start to the discussion, and represents Senators looking for common goals—something that needs to be brought back into the larger debate on education and our public schools.

I want to thank Senators DODD, DEWINE, and ABRAHAM and Suzanne Day from Senator DODD's office and Paul Palagyi from Senator DEWINE's office for their great work on this so far. I look forward to making continued progress in this discussion.

Mr. DODD. Mr. President, I rise today with the distinguished senior Senator from Ohio, MIKE DEWINE, to introduce legislation that will help create safe, orderly and drug-free schools for our nation's youth through the reauthorization of the Safe and Drug-Free Schools and Communities Act.

Mr. President, the need for this legislation could not be more clear. Littleton, Colorado; Paduka, Kentucky; Springfield, Oregon; Pearl, Mississippi, and Jonesboro, Arkansas—up until a year or two ago, these towns were likely to appear on a list of nice small towns in America. Today, instead, they have been inscribed on our collective memory for the horrors of what happened at each school—children shooting down other children, families in crisis and communities and a nation shattered by grief.

In the wake of each of these incidents, our nation has struggled to come to terms with the tragedies at these schools. And while many questions will never be answered, we must rededicate ourselves to making our schools safe for learning and to reassuring parents and students that schools are a safe haven. We clearly have a long way to go in this effort.

Statistics suggest that there has been some improvement in many areas in recent years, but clearly violence and drug and alcohol abuse remain all too pervasive in our children's lives.

Nationwide, from 1992–1994, 63 students ages 5 through 19 were murdered at school in 25 different states in communities of all sizes. In my own state of Connecticut alone, there were 1,532 juvenile (ages 10–17) crime arrests made from 1993–1994, illustrating the large number of youth involved in some form of crime.

With regard to substance abuse, by 12th grade, more than three-fourths of students have used alcohol in their lifetime and more than 50% have tried an illicit drug. At any given time, 52% of 12th graders report being current drinkers and 25% report being current illicit drug users. In Connecticut, in 1993, 31% of eighth and tenth grade students reported having used alcohol in the past 30 days. Not only do youth substance abuse and violence harm our children, but they also drain our communities' valuable resources. According to some analyses, the total economic costs related to substance abuse added up to $377 billion in 1995, and the costs of crime directly attributed to drug abuse added up to $59 billion.

These are all alarming statistics, and even more so when the interplay between violence and substance abuse is considered. For instance, there is compelling evidence that aggressive behavior is linked to frequency of marijuana use. Both youth violence and youth substance abuse are pressing matters in need of our attention.

The Safe and Drug-Free Schools and Communities Act is the leading federal program in this area. This program, funded at $566 million for FY1999, currently reaches 97 percent of school districts and provides flexible support for primary prevention activities like conflict resolution, peer mediation, and after school activities, as well as assistance in purchasing security equipment that has become so common in our schools. This program also supports prevention activities aimed at substance abuse among our youth. There have been some who have raised concerns that this program has not adequately accomplished its goals, in that youth violence and substance abuse rates remain high. I agree that those rates are still too high. But the proper response is to strengthen, no diminish, our commitment to assisting local schools in their efforts.

And let me hasten to add that there has, in fact, been progress. For instance, in the area of youth substance abuse, a 1998 national survey of student drug use in grades 8, 10, and 12 demonstrated that alcohol use slightly declined in grades 8 and 10, from prior years. And, after six years of steady increases, drug use among students was found to have declined and student opposition to drug use has increased. The proportion of students who reported use of illicit drugs during the 12 months prior to the survey declined at all three grade levels.

With regard to violence, a 1997 study found that 90 percent of public schools reported no incidents of serious violent crime to the police and less than half (43 percent) reported no crime at all. Over the past five years, school crime generally has decreased, as has the number of students being expelled for bringing a firearm to school. Fewer kids, in fact, brought weapons to school in 1997 than in 1993. The Centers for Disease Control report that between 1991 and 1997, the number of students involved in a physical fight decreased by 14 percent, and the number of kids carrying a weapon to school decreased by 30 percent.

Thus, the SDFSCA has made gains in providing students with safe and drug-free learning environments. The legislation we have introduced today will build on these successes. The program will continue to offer states and local districts significant flexibility. We have also added strong new accountability measures. States will have the option of targeting dollars to areas of greater need, providing them with a higher concentration of resources. State and school districts will work together in the development of a common plan with shared goals and measures of progress. Funded activities will be tied to these plans and will be required to be based on community needs assessments and to follow strategies found to demonstrate success through rigorous study. In addition, districts and schools participating in SDFSCA will be guided by a school safety plan to ensure coordinated, effective programs.

Clearly, this legislation is just the first step. Senator DEWINE and I, along with Senators MURRAY and ABRAHAM, will work with the other members of the Health, Education, Labor and Pensions Committee, other colleagues, and other interested in this important effort to continue to improve this bill as we craft the reauthorization of the Elementary and Secondary Education Act. I am interested in particular in looking more closely at the idea of a National School Safety Center, which I believe could provide districts and schools with invaluable advice and services as they struggle to confront violence in their schools. A related idea is the one proposed by the Administration to authorize Project SERV to assist schools when there is a sudden and serious event at the school. In addition, I think we should work at additional ways to strengthen interagency cooperation, including developing and funding initiatives like the Safe Schools/Healthy Students program that is making such a difference in my state and so many others. Finally, I am very interested in considering ways to support prevention very early on in

children's life through character education and training of parents, preschool teachers and other professionals in violence prevention.

Mr. President, I want to thank Senator DEWINE for his leadership, commitment and involvement in this issue, as well as Senator MURRAY with whom we have worked very closely over the past few months. I am very pleased to co-sponsor this bill with such dedicated leaders, and I look forward to working with them and other of our colleauges for its enactment.

By Mr. BREAUX (for himself and Mr. GORTON):

S. 1824. A bill to amend the Communications Act of 1934 to enhance the efficient use of spectrum by non-federal government users; to the Committee on Commerce, Science, and Transportation.

PRIVATE WIRELESS SPECTRUM USE ACT

● Mr. BREAUX. Mr. President, I am pleased to join the Senator from Washington, Mr. GORTON, in introducing the Private Wireless Spectrum Use Act. This legislation will help the more than 300,000 U.S. companies, both large and small, that have invested $25 billion in internally owned and operated wireless communications systems. It will provide these companies with critically needed spectrum and will do so through an equitable lease fee system.

The private wireless communications community includes industrial, land transportation, business, educational, and philanthropic organizations that own and operate communications systems for their internal use. The top 10 U.S. industrial companies have more than 6,000 private wireless licenses. Private wireless systems also serve America's small businesses in the utility, contracting, taxi, and livery industries.

These internal-use communications facilities greatly enhance the quality of American life. They also support global competitiveness for American firms. For example, private wireless systems support: the efficient production of goods and services; the safe transportation of passengers and products by land and air; the exploration, production, and distribution of energy; agricultural enhancement and production; the maintenance and development of America's infrastructure; and compliance with various local, State, and Federal operational government statutes.

Current regulatory policy inadequately recognizes the public interest benefits which private wireless licensees provide to the American public. Consequently, allocations of spectrum to these private wireless users have been deficient. Private wireless entities received spectrum in 1974 and 1986 when the FCC allocated channels in the 800 megahertz and 900 megahertz bands. Over time, however, the FCC has significantly reduced the number of channels available to industrial and business entities in those allocations. Private wireless entities now have access to only 299 channels, or 32 percent of the channels of the original allocation.

Spectrum auctions have done a great job of speeding up the licensing of interpersonal communications services and have generated significant revenues for the U.S. Treasury. They have also unfortunately skewed the spectrum allocation process toward subscriber-based services and away from critical radio services such as private wireless which are exempted from auctions. Nearly 200 megahertz of spectrum has been allocated for the provision of commercial telecommunications services, virtually all of which has been assigned by the FCC through competitive bidding.

Competitive bidding is not the proper assignment methodology for private wireless telecommunications users. Private wireless operations are site-specific systems which vary in size based on a user's particular needs, and are seldom mutually exclusive from other private wireless applicants. Auctions, which depend on mutually exclusive applications and use market areas based on population, simply cannot be designed for private wireless systems.

Under this legislation, the FCC would allocate no less than 12 megahertz of new spectrum for private wireless use as a measure to maintain our industrial and business competitiveness in the global arena, as well as to protect the welfare of the employees in the American workplace. Research indicates that private wireless companies are willing to pay a reasonable fee in return for use of spectrum. They recognize that their access to spectrum increases with their willingness to pay fair value for the use of this national asset.

This bill grants the FCC legislative authority to charge efficiency-based spectrum lease fees in this new spectrum allocation. These lease fees should encourage the efficient use of spectrum by the private wireless industry, generate recurring annual revenues as compensation for the use of spectrum, and retain spectrum ownership by the public. Furthermore, the fee should be easy for private frequency advisory committees to calculate and collect.

Mr. President, there may be some who believe this bill does not adequately address all their concerns. I assure all interested parties that I will work with them through the legislative process to address their concerns. I urge my colleagues to join me in supporting this bill and ask that the full text of the bill be printed in the RECORD.

The bill follows:

S. 1824

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 ''Private Wireless Spectrum Use Act.''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Competent management of the electromagnetic radio spectrum includes continued availability of spectrum for private wireless entities because of such entities' unique ability to achieve substantial efficiencies in their use of this important and finite public resource. A private wireless system licensee or entity is able to customize communications systems to meet the individual needs of that licensee or end user while using engineering solutions and other cooperative arrangements to share spectrum with other private system licensees and entities without causing harmful interference or other degradation of quality or reliability to such other licensees or entities. Accordingly, spectrum allocations for the shared use of private wireless systems achieve a high level of spectrum use efficiency and contribute to the economic and social welfare of the United States.

(2) Wireless communication systems dedicated to the internal communication needs of America's industrial, land transportation, energy (including utilities and pipelines), and other business enterprises are critical to the competitiveness of American industry and business in international commerce; increase corporate productivity; enhance the safety and welfare of employees; and improve the delivery of products and services to consumers in the United States and abroad.

(3) During the past decade, the Federal Communications Commission allocation and licensing policies have led to dramatic increases in spectrum available for commercial mobile radio services while the spectrum available for private mobile radio systems has decreased, even though the Commission recognizes the spectrum use efficiencies and other public benefits of such private systems and the substantial increases in the use of such systems.

(4) Spectrum auctions are designed to select among competing applications for spectrum licenses when engineering solutions, negotiation, threshold qualifications, service regulations, and other cooperative means employed by the Commission are not able to prevent mutual exclusivity among such applications. Private wireless systems, on the other hand, avoid mutual exclusivity through cooperative, multiple uses generally achieved by the Commission, the users, or the frequency advisory committees. Accordingly, the requirements of such private wireless systems are accommodated within the spectrum bands allocated for private uses. Since there is no mutual exclusivity among private wireless system applications, there is no need for the Commission to employ a mechanism, such as auctions, to select among applications. Auction valuation principles also do not apply to the private wireless licensing process because the private wireless spectrum is not used on a commercial, interconnected basis. Rather, such private allocations are used for internal communications applications to enhance safety, efficiency and productivity. Nonetheless, there should be some payment associated with the assignment of new private wireless spectrum, and the Commission can and should develop a payment mechanism for this purpose.

SEC. 3. DEFINITIONS.

Section 3 of the Communications Act of 1934 (47 U.S.C. 153) is amended—

(1) by redesignating paragraphs (33) through (52) as paragraph (35) through (54); and

(2) by inserting after paragraph (32) the following:

''(33) PRIVATE WIRELESS SYSTEM.—The term 'private wireless system' means an infrastructure of telecommunications equipment and customer premises equipment that is owned by, and operated solely to meet the internal wireless communication needs of, an industrial, business, transportation, education, or energy (including utilities and pipelines) entity, or other licensee.

''(34) PRIVATE WIRELESS PROVIDER.—The term 'private wireless provider' means an entity that owns, operates, or manages an infrastructure of telecommunications equipment and customer premises equipment that is—

''(A) used solely for the purpose of meeting the internal communications needs of another entity that is an industrial, business, transportation, education, or energy (including utilities and pipelines) entity, or similar end-user;

''(B) neither a commercial mobile service (as defined in section 332(d)(1)) nor used to provide public safety services (as defined in section 337(f)(1)); and

''(C) not interconnected with the public switched network.''.

SEC. 4. ALLOCATION AND ASSIGNMENT OF ADDITIONAL SPECTRUM.

Part I of title III of the Communications Act of 1934 (47 U.S.C. 301) is amended by inserting after section 337 the following:

''SEC. 338. ALLOCATION AND ASSIGNMENT OF SPECTRUM FOR PRIVATE WIRELESS USES.

''(a) RULEMAKING REQUIRED.—Within 120 days after the date of enactment of the Private Wireless Spectrum Use Act, the Commission shall initiate a rulemaking designed to identify and allocate at least 12 megahertz of electromagnetic spectrum located between 150 and 2,000 megahertz for use by private wireless licensees on a shared-use basis. The new spectrum proposed to be reallocated shall be available and appropriate for use by private wireless communications systems and shall accommodate the need for paired allocations and for proximity to existing private wireless spectrum allocations. In accommodating the various private wireless system needs in this rulemaking, the Commission shall reserve at least 50 percent of the reallocated spectrum for the use of private wireless systems. The remaining reallocated spectrum shall be available for use by private wireless providers solely for the purpose described in section 3(34)(A).

''(b) ORDER REQUIRED.—Within 180 days after the Commission initiates the rulemaking required by subsection (a), the Commission, in consultation with its frequency advisory committees, shall—

''(1) issue an order reallocating spectrum in accordance with subsection (a); and

''(2) issue licenses for the reallocated spectrum in a timely manner.''.

SEC. 5. REIMBURSEMENT FOR ADDITIONAL SPECTRUM ALLOCATED FOR PRIVATE WIRELESS SYSTEM USE.

Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309 (j)) is amended by inserting after paragraph (14) the following:

''(15) SPECTRUM EFFICIENCY FOR SHARED SPECTRUM.—

''(A) Within 120 days after the date of enactment of the Private Wireless Spectrum Use Act, the Commission shall initiate a rulemaking to devise a schedule of payment to the Treasury by private wireless systems, and by private wireless providers for the purpose described in section 3(34)(A), in return for a license or other ability to use a portion of the spectrum reallocated under section 338. The schedule shall be designed to promote the efficient use of those frequencies.

''(B) Within 180 days after the Commission initiates the rulemaking required by subparagraph (A), the Commission, after consultation with its frequency advisory committees and after opportunity for comment, shall adopt a schedule of payment in accordance with subparagraph (A) and which it determines to be in the public interest.

''(C) In adopting the schedule of payments referred to in subparagraph (A), the Commission—

''(i) may not base a finding of public interest, convenience, and necessity on the expectation of Federal revenues for the use of such schedule of payment; and

''(ii) shall take into account the private nature of the systems, the safety and efficiencies realized by the public as a result of these private uses, the amount of bandwidth and coverage area and geographic location of the license, and the degree of frequency-sharing.''.

SEC. 6. SPECTRUM SHARING

Section 309(j)(6) of the Communications Act of 1934 (47 U.S.C. 309(j)(6)) is amended—

(1) by striking ''or'' at the end of subparagraph (G);

(2) by striking ''Act.'' in subparagraph (H) and inserting ''Act; or''; and

(3) by adding at the end the following:

''(I) be construed to permit the Commission to take any action to create mutual exclusivity where it does not already exist.''

SEC. 7. CONFORMING AND TECHNICAL AMENDMENTS.

(a) PRIVATE MOBILE SERVICE.—Section 332(d) of the Communications Act of 1934 (47 U.S.C. 332(d)) is amended—

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

(2) by striking ''(c)(1)(B); and'' in paragraph (2) and inserting ''(c)(1)(B).''; and

(3) by striking paragraph (3).

(b) APPLICATION OF SPECTRUM-USE PAYMENT SCHEDULE TO NEW LICENSES.—Section 337(a)(2) of the Communications Act of 1934 (47 U.S.C. 337(a)(2)) is amended by inserting ''or spectrum use payment schedule'' after ''competitive bidding''.

(c) EXEMPTION FROM COMPETITIVE BIDDING.—Section 309(j)(2) of the Communications Act of 1934 (47 U.S.C. 309(j)(2)) is amended—

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

(2) by striking ''Act.'' in subparagraph (C) and inserting ''Act; or''; and

(3) by adding at the end thereof the following:

''(D) for private wireless systems, and for private wireless providers for the purpose described in section 3(34)(A), that—

''(i) are used to enhance the productivity or safety of business or industry; and

''(ii) are not made commercially available to the public, except for that purpose.''.

(d) TECHNICAL AMENDMENT.—Section 271(c)(1)(A) of the Communications Act of 1934 (47 U.S.C. 271(c)(1)(A)) is amended by striking ''3(47)(A),'' and inserting ''3(49)(A),''.●

● Mr. GORTON. Mr. President, I am pleased to join my colleague from Louisiana, Senator BREAUX, in introducing a bill to rationalize the federal management of spectrum that is used by entities for their internal wireless communication needs. The legislation does essentially three things. First, it recognizes that auctions are not an appropriate means of allocating spectrum for these private users, and so exempts from auction that spectrum that is used for private wireless applications. Second, it directs the FCC to reallocate an additional 12 megahertz of spectrum to private wireless users, who, over the years, and despite the efficiencies they have obtained through shared use, have lost spectrum and currently do not have enough to meet demands in some areas. Third, the legislation authorizes the FCC to collect lease fees for the use of the 12 MHZ to be reallocated.

One of the biggest challenges in preparing this bill, Mr. President, has been to define the class of beneficiaries, that is, to identify what is a ''private wireless'' system. The definition in the measure we are introducing today may not be perfect, and I look forward to working with all interested parties to ensure that the definition covers the appropriate class of users. The intent, however, and one that I believe is captured in the current definition, is that we recognize that there are thousands of corporations, utilities, farmers, and other entities, that use spectrum purely for their internal communication needs, with applications that range from reading utility meters from a distance, to operating sprinkler or irrigation systems, to communicating over hand-held radios in the middle of the woods, a factory floor, or a construction site. This use of the spectrum, Mr. President, is economically vital to our economy, as it enhances the productivity of all of these users and, in many cases, makes their operations possible.

A distinguishing characteristic of private wireless users, and a reason that we are proposing that they be treated differently than other spectrum users, is that the private wireless users' application of the spectrum is often specifically tailored to the needs of that user, that is, it is a unique application that is not offered by commercial wireless providers.

Currently, private wireless users are licensed on a site-by-site basis by the FCC. Their license applications are coordinated by spectrum managers who attempt to maximize the efficiency of the spectrum and eliminate mutually exclusive applications by requiring that the spectrum be shared by multiple users. In this way, hundreds of different users can and do operate their internal wireless communications systems within a given geographic area. When the users' needs change, as they frequently do, as companies open new production facilities, begin work at new construction sites, or extend their service area, the spectrum coordinators, (spectrum allowing), will propose a new sharing arrangement and obtain a new site-specific license for the user.

The geographic based auction concept that the FCC is currently proposing for some of the spectrum now being used by private wireless, makes little sense for these private users. Unlike a commercial wireless provider, whose service must be operational within the entirety of a broad geographical license area, an individual private wireless user may require use of the spectrum only at single site within the area proposed to be auctioned. Moreover, private wireless system users are not in the business of

providing communications services, and don't want to be—so it is not in their interest to acquire, through auction, exclusive rights to the use of spectrum in a large fixed geographic area, when they will use only a small fraction of it, their site may change, and they lack both the expertise or the desire to rent out what they do not need.

Recognizing that auctions are ill-suited as a means of allocating spectrum to private wireless users, however, is not to say that the public should receive no compensation for the use of this public resource. Unfortunately, the desire to raise revenue from the sale of spectrum appears to have overtaken the need to ensure that spectrum is used efficiently and that current, economically valuable applications, are not disrupted by a rush to sell in order to raise revenue. The proposal in this measure to allow the Federal Communications Commission to collect lease fees for the use of private wireless spectrum is, I believe, a way to reintroducing some rationality into our spectrum management policies, while ensuring a return for the taxpayer.

The legislation we are introducing today, Mr. President, is not a final product. It stakes out, however, a very important claim, and that is the importance of the private wireless spectrum users to the smooth and efficient operation of our economy. I look forward to working with all interested parties to improve, and pass swiftly, this important measure.●

By Mr. ROCKEFELLER:

S. 1825. A bill to empower telephone consumers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE PHONE BILL FAIRNESS ACT

Mr. ROCKEFELLER. Mr. President, I rise today to introduce the Phone Bill Fairness Act. I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 1825

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 ''Phone Bill Fairness Act''.

SEC. 2. FINDINGS; PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) Customer bills for telecommunications services are unreasonably complicated, and many Americans are unable to understand the nature of services provided to them and the charges for which they are responsible.

(2) One of the purposes of the Telecommunications Act of 1996 (Public Law 104–104) was to unleash competitive and market forces for telecommunications services.

(3) Unless customers can understand their telecommunications bills they cannot take advantage of the newly competitive market for telecommunications services.

(4) Confusing telecommunications bills allow a small minority of providers of telecommunications services to commit fraud more easily. The best defense against telecommunications fraud is a well informed consumer. Consumers cannot be well informed when their telecommunications bills are incomprehensible.

(5) Certain providers of telecommunications services have established new, specific charges on customer bills commonly known as ''line-item charges''.

(6) These line-item charges have proliferated and are often described with inaccurate and confusing names.

(7) These line-item charges have generated significant confusion among customers regarding the nature and scope of universal service and of the fees associated with universal service.

(8) The National Association of Regulatory Utility Commissioners adopted a resolution in February 1998 supporting action by the Federal Communications Commission to require interstate telecommunications carriers to provide accurate customer notice regarding the implementation and purpose of end-user charges for telecommunications services.

(b) PURPOSE.—It is the purpose of this Act to require the Federal Communications Commission and the Federal Trade Commission to protect and empower consumers of telecommunications services by assuring that telecommunications bills, including line-item charges, issued by telecommunications carriers nationwide are both accurate and comprehensible.

SEC. 3. INVESTIGATION OF TELECOMMUNICATIONS CARRIER BILLING PRACTICES.

(a) INVESTIGATION.—

(1) REQUIREMENT.—The Federal Communications Commission and the Federal Trade Commission shall jointly conduct an investigation of the billing practices of telecommunications carriers.

(2) PURPOSE.—The purpose of the investigation is to determine whether the bills sent by telecommunications carriers to their customers accurately assess and correctly characterize the services received and fees charged for such services, including any fees imposed as line-item charges.

(b) DETERMINATIONS.—In carrying out the investigation under subsection (a), the Federal Communications Commission and the Federal Trade Commission shall determine the following:

(1) The prevalence of incomprehensible or confusing telecommunications bills.

(2) The most frequent causes for confusion on telecommunications bills.

(3) Whether or not any best practices exist, which, if utilized as an industry standard, would reduce confusion and improve comprehension of telecommunications bills.

(4) Whether or not telecommunications bills that impose fees through line-item charges characterize correctly the nature and basis of such fees, including, in particular, whether or not such fees are required by the Federal Government or State governments.

(c) REVIEW OF RECORDS.—

(1) AUTHORITY.—For purposes of the investigation under subsection (a), the Federal Communications Commission and the Federal Trade Commission may obtain from any telecommunications carrier any record of such carrier that is relevant to the investigation, including any record supporting such carrier's basis for setting fee levels or percentages.

(2) USE.—The Federal Communications Commission and the Federal Trade Commission may use records obtained under this subsection only for purposes of the investigation.

(d) DISCIPLINARY ACTIONS.—

(1) IN GENERAL.—If the Federal Communications Commission or the Federal Trade Commission determines as a result of the investigation under subsection (a) that the bills sent by a telecommunications carrier to its customers do not accurately assess or correctly characterize any service or fee contained in such bills, the Federal Communications Commission or the Federal Trade Commission, as the case may be, may take such action against such carrier as such Commission is authorized to take under law.

(2) CHARACTERIZATION OF FEES.—If the Federal Communications Commission or the Federal Trade Commission determines as a result of the investigation under subsection (a) that a telecommunications carrier has characterized a fee on bills sent to its customers as mandated or otherwise required by the Federal Government or a State and that such characterization is incorrect, the Federal Communications Commission or the Federal Trade Commission, as the case may be, may require the carrier to discontinue such characterization.

(3) ADDITIONAL ACTIONS.—If the Federal Communications Commission or the Federal Trade Commission determines that such Commission does not have authority under law to take actions under paragraph (1) that would be appropriate in light of a determination described in paragraph (1), the Federal Communications Commission or the Federal Trade Commission, as the case may be, shall notify Congress of the determination under this paragraph in the report under subsection (e).

(e) REPORT.—Not later than one year after the date of the enactment of this Act, the Federal Communications Commission and the Federal Trade Commissions shall jointly submit to Congress a report on the results of the investigation under subsection (a). The report shall include the determination, if any, of either Commission under subsection (d)(3) and any recommendations for further legislative action that such Commissions consider appropriate.

SEC. 4. TREATMENT OF MISLEADING TELECOMMUNICATIONS BILLS AND TELECOMMUNICATIONS RATE PLANS.

(a) FEDERAL TRADE COMMISSION.—The Federal Trade Commission shall treat any telecommunications billing practice or telecommunications rate plan that the Commission determines to be intentionally misleading as an unfair business practice under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) FEDERAL COMMUNICATIONS COMMISSION.—The Federal Communications Commission shall, upon finding that any holder of a license under the Commission has repeatedly and intentionally engaged in a telephone billing practice, or has repeatedly and intentionally utilized a telephone rate plan, that is misleading, treat such holder as acting against the public interest for purposes of the Communications Act of 1934 (47 U.S.C. 151 et seq.).

SEC. 5. REQUIREMENTS FOR ALL BILLS FOR TELECOMMUNICATIONS SERVICES.

(a) AVERAGE PER MINUTE RATE CALCULATION.—Each telecommunications carrier shall display on the first page of each customer bill for telecommunications services the average per-minute charge of telecommunications services of such customer for the billing period covered by such bill.

(b) CALLING PATTERNS.—Each telecommunications carrier shall display on the first page of each customer bill for telecommunications services the percentage of the total number of telephone calls of such customer for the billing period covered by such bill as follows:

(1) That began on a weekday.

(2) That began on a weekend.

(3) That began from 8 a.m. to 8 p.m..
(4) That began from 8:01 p.m. to 7:59 a.m..
(5) That were billed to a calling card.

(c) AVERAGE PER-MINUTE CHARGE DEFINED.—In this section, the term ''average per-minute charge'', in the case of a bill of a customer for a billing period, means—

(1) the sum of—

(A) the aggregate amount of monthly or other recurring charges, if any, for telecommunications services imposed on the customer by the bill for the billing period; and

(B) the total amount of all per-minute charges for telecommunications services imposed on the customer by the bill for the billing period; divided by

(2) the total number of minutes of telecommunications services provided to the customer during the billing period and covered by the bill.

SEC. 6. REQUIREMENTS FOR TELECOMMUNICATIONS CARRIERS IMPOSING CERTAIN CHARGES FOR SERVICES.

(a) BILLING REQUIREMENTS.—Any telecommunications carrier shall include on the bills for telecommunications services sent to its customers the following:

(1) An accurate name and description of any covered charge.

(2) The recipient or class of recipients of the monies collected through each such charge.

(3) A statement whether each such charge is required by law or collected pursuant to a requirement imposed by a governmental entity under its discretionary authority.

(4) A specific explanation of any reduction in charges or fees to customers, and the class of telephone customer that such reduction, that are related to each such charge.

(b) UNIVERSAL SERVICE CONTRIBUTIONS AND RECEIPTS.—Not later than January 31 each year, each telecommunications carrier required to contribute to universal service during the previous year under section 254(d) of the Communications Act of 1934 (47 U.S.C. 254(d)) shall submit to the Federal Communications Commission a report on following:

(1) The total contributions of the carrier to the universal service fund during the previous year.

(2) The total receipts from customers during such year designed to recover contributions to the fund.

(c) ACTION ON UNIVERSAL SERVICE CONTRIBUTIONS AND RECEIPTS DATA.—

(1) REVIEW.—The Federal Communications Commission shall review the reports submitted to the Commission under subsection (b) in order to determine whether or not the amount of the contributions of a telecommunications carrier to the universal service fund in any year is equal to the amount of the receipts of the telecommunications carrier from its customers in such year for purposes of contributions to the fund.

(2) ADDITIONAL CONTRIBUTIONS.—If the Commission determines as a result of a review under paragraph (1) that the amount of the receipts of a telecommunications carrier from its customers in a year for purposes of contributions to the universal service fund exceeded the amount contributed by the carrier in such year to the fund, the Commission shall have the authority to require the carrier to deposit in the fund an amount equal to the amount of such excess.

(d) COVERED CHARGES.—For purposes of subsection (a), a covered charge shall include any charge on a bill for telecommunications services that is separate from a per-minute rate charge, including a universal service charge, a subscriber line charge, and a presubscribed interexchange carrier charge.

SEC. 7. TELECOMMUNICATIONS CARRIER DEFINED.

In this Act, the term ''telecommunications carrier'' has the meaning given that term in section 3(44) of the Communications Act of 1934 (47 U.S.C. 153(44)).

By Mr. MURKOWSKI:

S. 1826. A bill to provide grants to the State of Alaska for the purpose of assisting that State in fulfilling its responsibilities under sections 803, 804, and 805 of the Alaska National Interest Lands Conservation Act, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. MURKOWSKI. Mr. President, today I rise to introduce legislation regarding the State of Alaska's sovereign right to manage its fish and game resources. It is a sad day that I come to the floor of the United States Senate to inform my colleagues that for the first time since Alaska became a state it no longer has sole authority to manage its fisheries on federal lands.

For everyone of my colleagues their respective states right to manage fish and game is absolute—every state but Alaska manages all its own fish and game. As of October 1, in Alaska, this is not the case, and therefore, action must be taken to try and provide the opportunity for the state to regain this authority back as swiftly as possible.

Some background is in order here.

When Congress passed the Alaska National Interest Lands Conservation Act (ANILCA) in 1980, Title VIII required the State of Alaska to provide a rural subsistence hunting and fishing preference on federal ''public lands.'' If the State fails to provide the required preference by State statute, the law provided that the federal government would step in to manage the subsistence uses of fish and game resources on federal lands.

The Alaska State Legislature passed such a subsistence preference law in 1978 which was upheld by referendum in 1982. The law was slightly revised in 1986, and remained on the books until it was struck down by the Alaska Supreme Court in 1989 as unconstitutional because of the Alaska Constitution's common use of fish and game clause. It is easy to see how there would be a conflict between a federal law that requires the state to provide a preference for rural Alaskans for fish and game resources and a state constitution that provides for equal access. When the state statutes were struck down, the Secretary of the Interior and the Secretary of Agriculture, for Forest Service lands, took over management of fish and game resources on federal public lands in Alaska.

For the most part the early focus was on game management and little was done to impact Alaska's fisheries. That all changed in 1995 when a decision by the Ninth Circuit Court of Appeals in Katie John v. United States extended the law far beyond its original scope to apply not just to ''federal lands'' but to navigable waters owned by the State of Alaska. Hence State and private lands were impacted too. The theory espoused by the Court was that the ''public lands'' includes navigable waters in which the United States has reserved water rights. If implemented, the courts decision would mean all fisheries in Alaska could effectively be managed by the federal government. In April of 1996, the Departments of the Interior and Agriculture published an ''Advance Notice of Proposed Rulemaking'' which identified about half of the state as subject to federal authority to regulate fishing activities.

These regulations were so broad they could have affected not only fishing activities, but virtually all activities on state and federal lands that may have an impact on subsistence uses. There is no precedent in any other State in the Union for this kind of overreaching into State management prerogatives. For that reason Congress acted in 1996 to place a moratorium on the federal government from implementing those regulations and assuming control of Alaska's fisheries. This moratorium was provided mainly to allow the State time to make appropriate changes to the constitution and relevant statutes in order to comply with the federal law. The moratorium was extended three times by Congress and just recently expired October 1, 1999.

The Governor, and the majority of the State legislators have worked to try and resolve this issue by adopting an amendment to the State constitution that would allow them to pass State statutes to come into compliance with the federal law and provide a subsistence priority. Unfortunately, the State of Alaska's Constitution is not easily amended and these efforts have fallen short of the necessary votes needed to place the issue before the Alaska voters. In fact, in the most recent special session a majority of the legislators voted to do just this. Unfortunately they were just two votes shy in the State Senate of the 2/3 majority needed to place the necessary amendment before the voters.

With the failure of the legislature to place a constitutional amendment on the ballot prior to October 1, 1999, we now find ourselves in a situation where the federal government has assumed control of subsistence fisheries in Alaska. Therefore, absent a lawsuit or major change to federal law, the only way the State can now regain management of the subsistence fisheries is if the Secretary were to certify that the citizens of Alaska voted on, and approved, a constitutional amendment and the State Legislature had approved appropriate State statutes to conform with ANILCA. Under the most optimistic circumstances, the absolute earliest this could occur would be after the general election in November of 2000—and more likely it would not occur until 2001 or 2002. This just cannot be allowed to continue without some effort to return management to Alaska as soon as possible.

The proposal I am introducing today would minimize the duration of federal control if the State legislature passes a constitutional amendment that would allow them to adopt laws to come into compliance with the federal law. This would continue to make sure the focus of a resolve remains on State action and not in the ill-placed hopes of some action by Congress.

Specifically, the proposal would do the following:

Provide that the State can regain management authority as soon as the Secretary certifies the State legislature has approved a constitutional amendment that would allow the State to comply with ANILCA.

As soon as the Secretary certifies the amendment, any unexpended funds that were provided to the Secretary as a result of the legislature's failure to act by October 1, 1999 are turned over to the State.

In order to continue to retain management the State must place the amendment on the ballot at the earliest date possible under State law.

The Secretary could manage subsistence again if the amendment is not adopted by the voters or if it is adopted but the State fails to adopt the needed state statutes at the end of the first legislative session after passage of the constitutional amendment.

At any time that the Secretary is managing subsistence fisheries in Alaska, he must comply with section 1308 of ANILCA which requires local hire.

Mr. President, I along with most Alaskans, believe that subsistence uses of fish and game should have a priority over other uses in the State. We have provided for such uses in the past, I have hunted and fished under those regulations and I respected and supported them and continue to do so now. I believe the State can again provide for such uses without significant interruption to the sport or commercial fisherman.

I also believe that Alaska's rural residents should play a greater role in the management and enforcement of fish and game laws in Alaska. They understand and live with the resources in rural Alaska. They see and experience the fish and game resources day in and day out. And, they are most directly impacted by the decisions made about use of those resources. They should bear their share of the responsibility for formulating fish and game laws as well as enforcing them.

It is my intention to ensure that at anytime the Secretary is managing any of Alaska's wildlife resources that he maximize the expertise of Alaska's Native people. I also hope the State would provide Alaska's rural residents a greater role as it seeks to resolve the subsistence dilemma once and for all. But until that happens, I cannot stand by and watch the federal government move into the State and assume control of the Alaska fish and game resources for an extended period of time. That is why I am providing for the earliest opportunity for the State to regain management.

I've lived under federal management during Alaska's territorial days and it does not work. In 1959 Alaskan's caught just 25.1 million salmon. Under State management we caught 218 million salmon in 1995.

Federal control would again be a disaster for the resource and those that depend on it.●

By Mr. GRAHAM:

S. 1827. A bill to provide funds to assist high-poverty school districts meet their teaching needs; to the Committee on Health, Education, Labor, and Pensions.

TRANSITION TO TEACHING ACT

Mr. GRAHAM. Mr. President, today I introduce legislation which is entitled ''Transition to Teaching. This legislation starts from a personal experience.

Bill Aradine is a first-year teacher. He tells me he is greatly enjoying his experience in the classroom. He has 150 students from the 9th to the 12th grade at North Marion High School near Ocala, FL. Mr. Aradine teaches automobile mechanics. He has sparked an interest in students that may lead many of them to rewarding, lucrative, and challenging careers. I know Mr. Aradine because I did one of my workdays—in fact, my most recent workday—at North Marion High School. It is the story I learned that day at North Marion that brings me to the Senate floor today.

Up to this point, it may not seem that unusual of a story—a beginning teacher facing new challenges—but Mr. Aradine brings something else to his first year at North Marion High School. He brings a previous career of 11 years on-the-job experience. He has years of experience in a local Chevrolet car dealership. He is now starting a second career as a teacher. The students look to him with a different perspective. When he says, you will need to know this if you are going to get the job done, they know he knows what he is talking about. Having just come directly from the industry, he teaches at the cutting edge.

The information he brings to his students is what he was actually doing in the workplace not that long ago. Mr. Aradine is also a bridge. He is a bridge between North Marion High School students and the world of employment. He offers them advice, counsel, and real-life connections to future jobs.

Mr. Aradine learned of the opening at the high school when one of the automobile mechanic's teachers retired. He applied for the job. He was allowed to obtain a temporary teaching certificate based on his prior work experience. He will take four courses over the next 3 years to obtain a permanent teaching certificate. North Marion High School principal, Walter Miller, could not be more pleased with the situation. Mr. Aradine is doing an excellent job with the students. North Marion High School was able to fill a vacancy and ease its teacher shortage.

More and more schools will be turning to teachers who are in their second career. The Washington Post of October 4 of this year remarks on the trend of professionals entering teaching after years of work in a nonacademic job.

Mr. President, I ask unanimous consent that at the end of my remarks, a copy of an article entitled, ''Disillusioned Find Renewal in Classroom,'' be printed in the RECORD.

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

(See Exhibit 1.)

Mr. GRAHAM. Every August and September, another school year begins. Thousands of young Americans enter the classroom. Almost every year at this time, I hear from school districts throughout Florida about teacher shortages. What did I hear in 1999? I heard from Miami Dade that they had hired 1,700 new teachers for the 1999 school year but still had 300 vacancies to fill on the first day of classes. Hillsborough County, Tampa, hired 1,493 teachers for the start of the school year. They were still 238 teachers short when the first school bell rang. Orange County, Orlando, needed 1,300 teachers for the new year and still had 50 vacancies a month after school started.

These concerns will only get worse. Forty percent of current schoolteachers are over the age of 50. They are nearing retirement. Who will be the future role models to the next generation of Americans? Who will take their places in the classroom? The importance of having high quality teachers in sufficient numbers is crucial, if we are to look at the challenges facing education in the future.

Mr. President, I ask unanimous consent to have printed in the RECORD an article by Dr. Robert McCabe entitled, ''A Twenty-First Century Challenge: Underprepared Americans.''

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

A TWENTY FIRST CENTURY CHALLENGE: UNDERPREPARED AMERICANS

(By Robert H. McCabe)

The essential mission for higher education in the new America of the 21st Century will be creating opportunity for new populations. Higher education will be more important than every before, but the scope of services will be very different and should be dramatically expanded to match the changed environment. In short, the current emphasis on exclusion must shift to inclusion.

In the new America, we will be older, less white, and more diverse. Our workforce will shrink. Information technology will impact everything and everybody. Business will function in a global economy and unskilled jobs will be exported to low wage developing nations. The gap between the skills and competencies of Americans, and those required for an Information Age workforce will continue to widen, threatening the very well being of our nation.

As we enter the 21st Century we face three critical challenges: remaining competitive in a global economy; reversing the growth of a

seemingly permanent and disenfranchised underclass; and developing a broad based workforce possessing Information Age skills. Whether or not we successfully meet these challenges will depend on the achievement of our educational system. The public schools, however, face ever greater difficulties. Increasing numbers of diverse children will enter the schools with significant educational and life deficiencies. Despite the school reforms that are sweeping the nation, it is virtually certain that increasing numbers of individuals will reach adulthood unprepared for 21st Century life and employment. Failure to educate these individuals would result in a catastrophic decline in our economy and standard of living. The role of higher education is critical. It must provide leadership in reshaping an educational system that is significantly more successful at all levels. Colleges will experience extraordinary enrollment growth from previously undeserved and underprepared populations. They must assist these Americans in achieving the higher order competencies necessary to succeed in the Information Age. To reach this goal, colleges must partner with public schools to participate in school reform. They must also insure that strengthened and well-supported college remedial education programs are available, primarily in community colleges, to rescue underprepared adults for their own benefit and to the benefit of the nation as a whole.

The following is a review of factors that will redefine the mission of higher education in the new America of the 21st Century.

BUSINESS/INDUSTRY AND WORK

In a global economy, business and industry will get its work done where it is least costly. Manufacturing is already moving from the United States to less developed nations where wages are lower. This trend will continue. Sustaining America's current prosperity will depend on its ability to lead and develop knowledge industries, which are based on a highly skilled and a more productive workforce. Brainpower and technology can multiply individual productivity, thus, compensating for higher wages and helping America to retain global competitiveness.

Experts believe—judging from successful economies already functioning in the new global environment—the countries that remain competitive in the next century are those with the highest overall literacy and educational levels—that is, nations, such as Germany and Japan, that have a strong ''bottom third.'' This should be a compelling wake up call for America because demographic trends indicate that the future U.S. work force will be increasingly composed of groups such as minorities and immigrants, who have disproportionately high rates of illiteracy and educational underachievement (Immerwahr et al. 1991 p. 15).

Beyond the basics, workers need additional skills to meet workforce demands—even if they hold the same job. Regardless of the product or service offered, the competitive workplace of today is a high-skill environment designed around technology and people who are technically competent.

A 1997 National Alliance of Business report, ''Job Cuts Out, High Skills In,'' states: ''With the explosion of technology in the workplace, skill level requirements are being ratcheted up by employers. Inventory, sales, marketing, expense analysis, communications, and correspondence are being one faster, better and cheaper, and with greater efficiency in the workplace'' (National Alliance of Business, p. 1).

Through turbulent years of reorganization, companies have raised skill requirements in order to hire employees with the competencies they need to be more competitive. More highly skilled workers have replaced employees with lower or outdated skills. Job elimination and downsizing have declined to their lowest levels in the decade, as companies are prepared for increased productivity and profitability. ''We're seeing the payoff after a decade of pain,'' says Eric Greenberg, director of management studies for the American Management association. ''The same forces that were costing jobs in the earlier years, such as restructuring, re-engineering and automation are now creating jobs that demand high skill levels. The people going out the door don't have them, the people coming in do'' (National Alliance of Business, 1997, p. 6).

At the same time that necessary skill levels are rising, the skills of American workers are declining—a bleak picture indeed. In 1995, The National Workforce Collabative estimated that the incidence of low basic workplace skills among U.S. workers ranging from 20 to 40 percent.

Business and Industry estimates that 80 percent of the 21st Century workforce will need some post-secondary education. In addition, they will need higher order information competencies as a base for life long continuing education. Today, fewer than half of Americans have achieved this level of competence and demographic changes indicate that in the future even fewer will be as well prepared.

DEMOGRAPHIC CHANGES

As the millennium approaches, stores analyzing the state of the nation and predicting its future fill the public discourse. Demographers can accurately describe what Newsweek magazine termed the ''face of the future'' (Morganthau 1997). In the 21st Century, the United States will become more ethnically diverse, more crowded and much older.

The greatest changes will occur in the Hispanic population. Today, Hispanics make up nearly 30 million people and 11 percent of the population. With high birthrates and high legal and illegal immigration, this share will continue to increase. Hispanic Americans average 2.4 to 2.9 children per couple, compared to white Americans average of just under two children per couple (Sivy 1997). In addition, the majority of today's immigrants are Hispanic, a trend that is expected to continue. Within the next seven years, Hispanics will overtake African Americans as the nation's largest minority. By 2005, Hispanics will number more than 36 million people compared to a projected 35.5 million African Americans. (Holmes 1998). By 2050, they are expected to comprise nearly one quarter of the total population, almost 96 million people. (Morganthau 1997). This growth is remarkable considering that in 1970 Hispanic accounted for just nine million citizens or roughly four percent of the national population (Population Reference Bureau 1999).

Virtually all of our growth will be from minorities, principally Hispanics. These groups are disproportionately poor, and thus, disproportionately educationally underprepared. To illustrate, African Americans are 13 percent of the general population and 40 percent of welfare recipients while Hispanics are 11 percent of the population and 22 percent of welfare recipients.

IMMIGRATION

Changing patterns of immigration are rearranging the face of America. Immigrants make up a significant portion of population growth. These new Americans differ in origin from those of earlier years. Between 1820 and 1967, 40 million of America's 44 million immigrants came from European countries. From 1968 to 1994, only three million of the 18 million immigrants came from Europe—a decrease from 90 percent to 17 percent. Today's immigrants come primarily from Latin America and Asia, and most importantly, from underdeveloped nations. Unfortunately, the immigrant population that is a major source of future workers also adds to our underprepared population. In the early 20th Century, most European immigrants were also unskilled. At that time, however, work was predominantly unskilled, and the immigrants provided much needed unskilled manpower. Circumstances are now quite different. Less than 20 percent of today's jobs are unskilled. Few new immigrants arrive on our shores with the job skills that business and industry need, yet these ''new workers'' represent a key source of potential employees needed to fill the void created by retiring ''Baby Boomers''.

THE AGING OF AMERICA

In 1900, the average life expectancy was 48. Today it is 76. In addition, America's fertility rate has dropped below the 2.1 children per woman population replacement rate. In 1950, the average age of Americans was 21 while today it is 37. Demographer Samuel Preston reports that the population is rapidly growing older and will continue to do so in the next half century (1996). Between 1995 and 2010, the number of people 65 and older will grow slowly from 33.5 million to 39.4 million, as people born in the 1930s and early 1940s (when fertility was low) grow older. By contrast, between 2010 and 2030, with the ''Baby Boomers'' aging, the number will soar from 39.4 million to 69.3 million. Meanwhile, the population in the prime working ages of 20 to 59 will remain stationary at about 160 million. In 1900, there were 10 times as many children below 18 as there were adults over 65. By 2030, there will be slightly more people over 65 than under 18.

Most discussion about the aging of Americans has focused on the viability of Social Security and Medicare. The Social Security system uses a pay-as-you-go model whereby payments by current workers are used to pay benefits to retirees. The concept was that when current workers retire, new workers would be available to pay into the system to support their retirement. That is history. In the future, it will simply no longer be the case. When the system began, 17 to 20 workers paid in for each retired worker receiving benefits. By 1960, the ratio had fallen to five workers for each retiree. Today it is 3.4 to one and by 2020 there will only be two workers for each retiree. While this forecasts serious problems, they are not nearly as severe as the problem of a declining percentage of the population in the workforce. Quite simply, to sustain our economy, everyone in their prime work years will need to be in the workforce. They must be highly skilled and extremely productive to support more retirees.

POVERTY

With our high standard of living and prosperity, America continues to have a persistent underclass with more individuals living in poverty than other developed nations. This is an unacceptable, deeply imbedded and seemingly unresolvable American problem. In the 1950s and 1960s, a near national consensus believed that the problem of poverty and equal opportunity for all could and should be resolved. Today, cynicism has replaced optimism. People living in poverty feel there is no way out and that the system is rigged against them. Those supporting the dependent population are frustrated and angry and increasingly blame those who live in poverty for their own poor circumstances.

Politicans applaud the apparent successes of welfare reform efforts intended to quickly remove individuals from the welfare rolls. A closer look, however, reveals that the successes are more a result of a robust economy

than successful reform programs. Many have only progressed from poverty to joining the working poor. Persistent poverty appears to be impervious to every attempt at improvement.

From kindergarten to college, poverty correlates more closely with academic deficiency than any other factor. The strong relationship between socio-economic status and educational achievement and the rising skill levels required for employment result in growing numbers from impoverished neighborhoods being undereducated for 21st Century jobs. These underprepared individuals add to the nation's unemployed, are dependent on the society and expand the gap between the haves and have nots—a destructive and dangerous situation.

THE NEW AMERICAN FAMILY

Today, nearly half of all American children experience the breakup of their parents' marriage. Family arrangements are diverse, and increasingly, do not involve a full-time father. In 1963, 77 percent of white children, 65 percent of Hispanic children, and 36 percent of African American children lived in two-parent families. By 1991, only half of the United States' children and teens lived in a traditional nuclear family. Fifth percent of white children live with a divorced mother; while 54 percent of African American children and 33 percent of Hispanic children have mothers who have never married (McCabe and Day 1998, p. 7). More children are born to unmarried women, 33 percent in 1994 compared with 5 percent in 1960 (Preston 1996). Even those children from a two-parent household spend less family time together. About 70 percent of mothers with children at home are working (Edmondson 1997). Children are often shuttled between day care centers, baby sitters, and extended family members.

According to Prather (1995), ''There are three problems that impact the learning abilities of young children that are exacerbated by the changing structures of families: Insufficient parenting, poor prenatal care, and inadequate health care.'' One-fourth of the pregnant women in America, particularly those who live in poverty, receive no prenatal care. Problems in the womb often lead to learning disabilities and other cognitive disorders.

Recent brain development research indicate that ''wiring'' of neurons occurs after birth, and that experience during infancy and early childhood plays a critical role in defining an individual's capacity to learn. The child's brain and central nervous system develop rapidly during the first three years of life in response to parental attention and stimulation, such as talking, seeing and playing. Absence of these critical early child care experiences, can result in permanent loss of learning capacity. This obviously occurs more frequently in single parent families because there is less time available for the children.

Children who suffer from inadequate economic resources and parental attention are children at risk of school failure. When these students progress into secondary schools, they are often tucked away in a holding pattern in general studies programs, and other programs that set lower expectations and develop less information competency. These students are destined to become underprepared adults.

The decline in the traditional family and the rising percentage of children born into poverty raises the question of whether children of the 21st Century will be sufficiently nurtured and prepared to mature to the productive adults that America needs.

At the heart of the United States' future will be the changing concept of family—a kind of new social demographics. Tomorrow's family will be less traditional and more complex. The 1950s nuclear family with the father as the sole breadwinner will be a distant memory. Instead, family life will be plagued by much of the same problems it suffers from today—divorce, single parenting, and a fractured and harried household.

Taken together—an analysis of demographics and family structure—we have a clear picture of the 21st Century. The United States will be crowded, diverse, older, and Americans will be less well prepared for employment. But what then does all this really mean? How will these changes influence everyday life? How well will we prepare our children for the future? What challenges will they face? How will we care for our elderly, infirm, and needy?

EDUCATING A MAJORITY MINORITY NATION

The demographic realities—particularly the growing diversity—will have the greatest impact on our education system. We know that by 2020 half of the nation's youth will be ''minority.'' But what is most striking about this statistic is the shifting concept of minority. Demographer Hodgkinson explains that educating tomorrow's minority will be more complicated because of who they are. Between 1820 and 1945, the nations that sent us the largest numbers of immigrants were (in rank order): Germany, Italy, Ireland, United Kingdom, Soviet Union, Canada, and Sweden. The nations that send us the most immigrants now and through the year 2000 are (in rank order): Mexico, Philippines, Korea, China/Taiwan, India, Cuba, Dominican Republic, Jamaica, Canada, Vietnam, United Kingdom, and Iran (Hodgkinson 1993).

This shift indicates a clear transformation. The United States has gone from a nation of Europeans with a common European culture to a nation of the world. Students from all over the world will be in the same classrooms—making our schools truly international in composition (Hodgkinson 1993). The change brings with it a set of unique instructional problems. In the past, schools could use the European commonality to socialize immigrant children. Today, children come to classrooms with different diets, different religions, different individual and group loyalties, different music, and different languages.

Tommorrow's students will be problematic for an even more profound reason—their lack of academic skills. Teachers will not only struggle with their diversity but also with their poor language skills and lack of educational attainment. Minorities have traditionally lagged behind academically. Educational policy makers often view them as an afterthought—gearing their decisions to the more successful white majority. As the demographics shift, however, educators will face a nation dominated by struggling students, at the same time more must complete their education with higher order skills.

The statistics illustrate a wide educational gap between minorities and non-minorities. In 1996, 30 percent of Hispanics had less than a ninth grade education, compared with 10 percent of African Americans and only about five percent of whites. Little more than one-half (53 percent) of Hispanics ages 25 or older had completed high school, and less than 10 percent had at least a bachelor's degree. Nearly 85 percent of non-Hispanic adults were high school graduates, and nearly 25 percent were college graduates (del Pinal 1997). The high school dropout rate—the percentage of people, ages 16 to 24, who do not have a high school diploma—reflects a similar disparity. In 1993, 27.5 percent of Hispanic students, 13.6 percent of African American students, and 7.9 percent of white students fell into this category (Coley 1995).

Minority children start two or three steps behind their white counterparts. They start elementary school with fewer social skills and lower language skills than their white counterparts (del Pinal 1997). Their path of underachievement then continues throughout their academic career.

SUMMARY

A series of circumstances are converging to create a 21st Century American dilemma that threatens the nation's economic and societal well being. The global economy is forcing manufacturing and businesses that utilize less skilled labor out of the country. The nation's hope for continued prosperity is to be the leader of the world's knowledge industries. This requires a highly skilled, highly productive workforce. Formidable obstacles must be overcome to reach that goal. With the aging population, the percentage of individuals in their primary work years will decline. It is, therefore, necessary to insure that the maximum number of Americans are well prepared and in the workforce. They will have to be more productive both to offset the competitive low salaries in less developed countries and to support the growing number of elderly. America does not have any one to waste!

Virtually all of our population growth will be from groups that are disproportionately underprepared—immigrants mostly from Third World countries, and minorities, principally Hispanic, who are disproportionately poor. Changes in the American family will also contribute to underpreparation. Changing family and work circumstances result in poor parenting practices that are linked to early children sensory deprivation and learning disabilities. Due to the hardships of growing numbers of single parent families, children's social, physical and educational progress is impeded.

The workforce could be both undersized and disproportionately underskilled. It would be unable to sustain a knowledge based economy and our quality of life.

America must depend on education to avert this pending national crisis. Despite reforms and hoped for improvements in the public schools, more Americans will reach adulthood underprepared. States are now taking school reform seriously and there is evidence of some improvement. The task, however, is monumental. The public schools cannot be expected to solve it alone.

The following graph dramatically demonstrates the scope of the problem. Currently, 85 percent of young Americans graduate from high school, 56 percent enter college and, unfortunately, only 39 percent are prepared for college work. This means that unless there is tremendous improvement, less than 40 percent of young Americans will be prepared for the 80 percent of high skill jobs. Sixty percent will only be prepared for the 20 percent of low skill jobs. It will be the essential and daunting task of public schools and college remedial programs to raise the 39 percent prepared to 80 percent. Substantially more students need to achieve higher skills at the same time large numbers of children will enter the educational system with serious life and educational deficiencies.

The great strength of America is the belief in the value of every individual and the commitment to equal opportunity for all. Higher education can do nothing more important and more difficult than helping the underprepared achieve educational parity. Higher education leadership is essential in meeting this challenge. Colleges must join with public schools in unified efforts to raise the educational achievements of all children. They must also insure the availability of quality remedial education programs, primarily in community colleges. This will assure that

the critical final bridge to full participants in our society is available to everyone.

REFERENCES

Cassidy, J. ''Who Killed the Middle Class?'' The New Yorker, October 16, 1995.

Coley, Richard, Dreams Deferred: High School Dropouts in the United States. Princeton, N.J.: Educational Testing Service, 1995.

Del Pinal, Jorge. ''Generations of Diversity: Latinos in the United States,'' Population Reference Bureau, October 1997.

Hodgkinson, H. Bringing Tomorrow Into Focus, Washington DC; The Institute for Educational Leadership, 1996.

Immerwahr, John Johnson, Jean and Kerman-Schloss, Adam. Cross Talk: The public, Experts and Competitiveness (February). A Research Report from the Business-Higher Education Forum and the Public Agenda Foundation.

McCabe, Robert and Day, Philip. Developmental Education: A Twenty-First Century Social and Economic Imperative. Mission Viejo: League for Innovation in the Community College, 1998.

Mitchell, S. ''The Diversity Generation: Demography's Roller Coaster Brings an Echo Boom into Your Classrooms,'' The American School Board Journal, April, 1996.

National Alliance of Business. ''Job Cuts Out, High Skill in,'' Work America, Vol. 14, November/December 1997.

National Alliance of Business. ''Enhancing Education and Training Through Technology, Workforce Economic Trends, December, 1997.

Prather, J.E. ''Presidential Address: What Sociologists Are Learning About the Next Generation of Students: Are We Prepared To Teach in the 21st Century?'' Sociological Perspectives, Vol. 39, No. 4, 1995.

Preston, S.H. ''Children Will Pay, Demography's Crystal Ball Shows that 21st Century America Will be Older, Wiser and More Ethnically Diverse. But Kids Face Trouble.'' New York Times Magazine, September 29, 1996.

Mr. GRAHAM. Dr. McCabe raises several crucial demographic and societal changes that will affect American education in the coming years. Let me mention two of these issues.

First, the American family structure will change in the coming decades. Half of all children will spend some of their childhood in single-parent homes and are more likely to live in poverty.

Of the children who grow up in a nuclear family, very often both of their parents will work; thus, they will be less able to be involved in the child's school and schoolwork. That is what is happening to American families. That is what will increasingly in the family environment from which American schoolchildren will enter the classroom. But as they exit the classroom, societal expectations for students upon graduation will be greater.

In the middle of this century, 50 years ago, 20 percent of American jobs required a specific skill. At the end of this century, today, 80 percent of jobs need skilled workers. Thus, the American student will need to graduate from school better prepared for the high-tech world than ever before; but single-parent families and dual-income families, in general, will face more challenges in being able to be actively involved in the support of that child's education.

These challenges, and others, will face the American educational system. I rise today to take one step forward in easing the nationwide teacher shortage and offering challenging new opportunities for America's professional working people by introducing the Transition to Teaching Act of 1999.

Senator KENNEDY is to be commended for his work in including similar language in the Elementary and Secondary Education Reauthorization Bill. Representatives JIM DAVIS of Florida and TIM ROEMER of Indiana have taken the lead in the House of Representatives on this issue.

We have a very successful model on which to build the Transition to Teaching program. Since 1994, the Troops to Teachers program has brought more than 3,000 retired military personnel to our classrooms, particularly as math, science, and technology teachers.

Schools in my State of Florida have benefitted by more than 270 individuals who have successfully completed the Troops to Teachers program, and are bringing their life experience to the classroom today.

Troops to Teachers, and now Transition to Teaching, assist in overcoming two of the main obstacles that mid-career professionals face when they want to become a teacher. It is not impossible to do this now, as Mr. Aradine has shown; but this legislation will assist with and simplify the process.

The first issue that is addressed involves teaching colleges within universities. These teaching colleges are often set up for the traditional students in their early twenties, right out of high school, just starting their new lives.

These programs are generally taken over a multiyear period as a full-time college student. This legislation encourages teaching colleges to develop curriculum suitable for an individual who already has many years of experience. These programs are more streamlined, more flexible in school hours, and recognize that the mid-career student brings more life and work experience than does a traditional college student.

By developing such programs, teaching colleges can maintain high standards, but allow a mid-career worker, making the change into teaching to become certified in a more efficient, streamlined manner.

Teaching colleges are also asked to develop programs to maintain contact with and support for these new teachers during at least their first year in the classroom.

Second, Transition to Teaching will assist teachers who come to the profession in mid-career in a very tangible way.

Grants will be awarded, up to $5,000 per participant, to offset the costs of becoming a certified teacher. Why are these grants appropriate? The traditional college student comes directly from a family setting. They typically have limited personal or family financial obligations. In contrast, people like Mr. Aradine have their own families, spouses, children, and they have a house and car payments. They have the kind of financial obligations that would be typical of any mid-career adult. They would need this financial assistance in order to give them that little degree of support and help that will allow them to make this transition to become a certified teacher and move into a second career in the classroom.

Thus, this legislation deals with two of the biggest obstacles to becoming a teacher in mid-career. The certification process is streamlined, and stipends are provided to offset the cost of this additional education.

The success can be highlighted best with a personal story—a personal story, not like Mr. Aradine who is in his first year, but the personal story of a man who is already well into his second career. Ronald Dyches grew up in a military family. His father was a noncommissioned officer. When Mr. Dyches attended college at Sam Houston State, he followed in his family's military footsteps and enrolled in the ROTC.

When he graduated, he became a commissioned officer in the U.S. Army. For more than 21 years, Mr. Dyches served our Nation as an Army intelligence officer, living throughout the United States and Europe. He feels the highlight of his career were the three years he spent on General Norman Schwartzkopf's staff at MacDill Air Force Base in Tampa during the Gulf war. Mr. Dyches retired from the Army in 1995. But you can say his service to the country did not end.

With the help of the Troops to Teachers program, Mr. Dyches began a second career teaching social studies at Bloomingdale High School in Brandon, FL. He has been on the faculty at Bloomingdale since 1995—and this year he is teaching three periods of Honors World History and two periods of an elective class that he created: The History of the Vietnam War.

Mr. Dyches' military experiences are an integral part of his classroom teaching. In addition to developing new elective courses, such as the one on the Vietnam war, Mr. Dyches uses the wealth of knowledge acquired living and working twelve years in Europe with the military to enliven his World History class. With his background, he offers advice and counsel to students including those considering a military career or wishing to attend one of the Nation's service academies.

Mr. Dyches feels that this classroom experience would not have been possible without the Troops to Teachers program. It rekindled his interest in teaching from his college days, and it opened doors to certification that would have been closed to him.

In some sense, Troops to Teachers helps make ''perfect marriages.''

Bloomingdale High School needed a social studies teacher. Ron Dyches needed a challenging, rewarding second career. He, the school, and all of Bloomingdale's students have benefited from this perfect marriage.

Other professionals, other workers, should be allowed to follow in the footsteps of the retired military personnel like Mr. Dyches, who have set such a shining example for us and the students that they serve.

Law enforcement, attorneys, business leaders, scientists, entrepreneurs, technically competent men and women, and others in the private sector should be encouraged to share their wisdom with students.

As I mentioned, under the Transition to Teaching Act, colleges and universities would be awarded grants to design educational programs modeled after Troops to Teachers to train mid-career professionals, and others, to become teachers.

Individuals would be eligible for grants of up to $5,000 to pay for the courses and training they need to become qualified teachers.

In return for the training, the new teachers would agree to teach in low-income schools, determined by the percentage of title I students in the school population, for three years.

This legislation is timely. We are on the cusp of retirement of millions of baby boomers.

By encouraging recent retirees, or mid-career professionals, to become certified through Transition To Teaching and spend a few years in the classroom, we will bring the life skills of experienced professionals to our youngest citizens.

I encourage my colleagues to support this legislation.

Our nation's children deserve our best efforts to provide them with a world class education that they will need in the 21st century.

EXHIBIT 1

DISILLUSIONED FIND RENEWAL IN CLASSROOM—NEW TEACHERS COMING FROM OTHER PROFESSIONS

(By Liz Seymour)

To become a teacher, Mary Ann Richardson left a $113,000-a-year job lobbying Congress as a U.S. deputy assistant secretary in the Labor Department.

Now she's a 46-year-old intern at Falls Church High School, a substitute teacher in history, government and civics without her own classroom or even her own desk. Next year, after she receives her master's degree in education, she will be applying for teaching jobs that pay about $80,000 a year less than what she used to earn.

She grapples with a new identity and the loss of family income that she worked 16 years to get and will never see again. But, she said, ''when those kids look up to you or they're having a crisis and you can help . . . I can tell you right now, I have found a purpose.''

The teaching profession, shunned for decades by college graduates in search of higher pay and prestige, is attracting a growing number of people who started their careers in another field. Some are downsized corporate executives who've heard about the national teacher shortage and are enticed by the job security. Others, like Richardson, are disenchanted lawyers and lobbyists who found that their high salaries did not make up for job pressures.

They are being lured, too, by an easing of teacher licensing requirements for career-switchers in many states and school districts, a trend that is likely to continue as the national teacher shortage worsens.

About 55 percent of the students currently enrolled in post-undergraduate teaching programs started their careers in another field, according to a study to be released this week by the National Center for Education Information, a Washington-based think tank. The study also found that 27 percent of universities have programs solely for second-career teachers, up from 3 percent in 1984.

Officials in several Washington area school districts said they are seeing more people like Richardson, although they do not keep such figures.

''People used to be driven by the financial rewards of their career,'' said Kevin North, the director of employment for Fairfax County schools. ''People are starting to step back and say, 'Other things are more important to me, and I want something more fulfilling.'''

Second-career teachers are appealing job candidates in several respects, said Linda Darling-Hammond, a professor of education at Stanford University and director of the National Commission on Teaching & America's Future. They are more mature than first-career teachers and often have experience with children through parenting. And because their decision to teach usually requires a substantial pay cut, they tend to have a deeper commitment to public education, she said.

Jerome ''Rick'' Peck, 55, a first-year science teacher at Loudoun County's Seneca Ridge Middle School, said the biggest attribute he brings to the classroom is ''the ability to say to the kids—and to mean it and to know it—'Hey, this is something you're going to need later in life.'''

A certified public accountant with a master's degree in business administration from the Wharton School, Peck was earning a six-figure salary as chief financial officer of a magazine publishing company until it was sold a few years ago. He was financially secure and his decision to teach was ''really selfish,'' Peck insists, because he saw it as something he would enjoy.

Five weeks into the school year, he still feels that way. But the transition hasn't been easy. He is mired in more paperwork than he expected. Many of his students fared poorly on the first test he gave, about the metric system, and some complained that he was lecturing too fast.

''When it comes to teaching, I'm definitely still learning,'' Peck said.

James R. Fields, 38, a former supervisor at United Parcel Service, is studying for his master's degree in education at George Washington University and substitute teaching at Sligo Middle School in Silver Spring.

Fields was earning $59,000 a year after 14 years at UPS. But when he moved from the Miami area to Montgomery County to get married, the company wouldn't transfer him.

He probably won't earn more than $35,000 a year when he gets a full-time teaching job next year. Fields said he is lucky that his wife, a gynecologist, has a salary that allows him to pursue teaching.

Fields, who is African American, said he hopes to be a strong influence on young black males. But right now, his main goal is to learn the routines of running a classroom. He said it's a challenge sometimes just to get his students to settle down—never mind actually paying attention and comprehending his lessons.

''It's kind of tough as a sub—[the students] think it's a field day,'' Fields said. ''In a sense I see that as a plus; you quickly develop some classroom management skills.

Tom Brannan, 52, quit his $83,000-a-year job as an assistant city manager in Alexandria to enroll in the master's degree program at George Washington. He enjoyed many aspects of his job but not the long hours and frenetic pace. Time with his family was often cut short, he said.

In just a few weeks as a substitute teacher at Fairfax's George Marshall High School, Brannan already has seen rewards. One day, he was assigned on short notice to teach a history class, with little time to prepare a lesson. After sweating out the period, the bell rang and the students filed out. One stopped to ask him: ''Are you gonna be back any time soon?''

Career-switchers typically take fewer education courses than students who go into teaching as a first career but often get more field work in schools.

Despite the growing calls from politicians and school officials to streamline the certification process for second-career teachers, they may still face challenges getting hired, said C. Emily Feistritzer, president of the National Center for Education Information.

Some may possess several advanced degrees, which would put them at a higher pay scale than most beginning teachers. Feistritzer said she has spotted another hurdle: Principals are sometimes less inclined to put older adults on their teaching staff because they won't be as easy to supervise as a 22-year-old college graduate.

Amy Harris is 26, younger than many of the other teachers who started in a different profession. She gave up a job at a brokerage firm in Minneapolis to lead 27 fifth-graders at Loudoun's Cool Spring Elementary School. Although she didn't take much of a pay cut to become a teacher, she eventually would have earned far more if she'd stayed in financial services.

She acknowledges that she second-guesses her decision once a month, when she writes a check to pay down $25,000 in debt from graduate school loans. But she is energized by her students. ''I really enjoy their wit and their cleverness,'' she said.

Richardson's journey toward teaching began last year, when her mother was dying. She came to live with Richardson for the last four months of her life, during which mother and daughter had many soul-searching talks about careers, family and, above all, happiness.

''She said, 'Look, you've got about 20 years [of working] left—you need to do what you think is important and what you want to do.''' Richardson recalled.

Richardson, whose husband is an archivist, has put her two children on strict allowances to reduce household expenses since she quit her high-paying Labor Department job.

The worst of it, she said, is being viewed as an inexperienced newcomer at age 46.

''I worry that when I get done with this program, I have to start over and sell myself again,'' she said. ''If I get through this, they should want me!''

Mr. GRAHAM. Mr. President, I send to the desk the legislation and ask for its appropriate reference.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

By Mr. MOYNIHAN (by request):

S. 1828. A bill to protect and provide resources for the Social Security System, to reserve surpluses to protect, strengthen and modernize the Medicare

Program, and for other purposes; to the Committee on Finance.

THE STRENGTHEN SOCIAL SECURITY AND MEDICARE ACT OF 1999

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the following letter of transmittal from the White House be printed in the RECORD, following the text of the bill.

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

S. 1828

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Strengthen Social Security and Medicare Act of 1999.''

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that:

(1) The Social Security system is one of the cornerstones of American national policy and has allowed a generation of Americans to retire with dignity. For 30 percent of all senior citizens, Social Security benefits provide almost 90 percent of their retirement income. For 66 percent of all senior citizens, Social Security benefits provide over half of their retirement income. Poverty rates among the elderly are at the lowest level since the United States began to keep poverty statistics, due in large part to the Social Security system. The Social Security system, together with the additional protections afforded by the Medicare system, have been an outstanding success for past and current retirees and must be preserved for future retirees.

(2) The long-term solvency of the Social Security and Medicare trust funds is not assured. There is an estimated long-range actuarial deficit in the Social Security trust funds. According to the 1999 report of the Board of Trustees of the Social Security trust funds, the accumulated balances in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are currently projected to become unable to pay benefits in full on a timely basis starting in 2034. The Medicare system faces more immediate financial shortfalls, with the Hospital Insurance Trust Fund projected to become exhausted in 2015.

(3) In addition to preserving Social Security and Medicare, the Congress and the President have a responsibility to future generations to reduce the Federal debt held by the public. Significant debt reduction will contribute to the economy and improve the Government's ability to fulfill its responsibilities and to face future challenges, including preserving and strengthening Social Security and Medicare.

(4) The Federal Government is now in sound financial condition. The Federal budget is projected to generate significant surpluses. In fiscal years 1998 and 1999, there were unified budget surpluses—the first consecutive surpluses in more than 40 years. Over the next 15 years, the Government projects the on-budget surplus, which excludes Social Security, to total $2.9 trillion. The unified budget surplus (including Social Security) is projected by the Government to total $5.9 trillion over the next 15 years.

(5) The surplus, excluding Social Security, offers an unparalleled opportunity to: preserve Social Security; protect, strengthen, and modernize Medicare; and significantly reduce the Federal debt held by the public, for the future benefit of all Americans.

(b) PURPOSE.—It is the purpose of this Act to protect the Social Security surplus for debt reduction, to extend the solvency of Social Security, and to set aside a reserve to be used to protect, strengthen, and modernize Medicare.

SEC. 3. ADDITIONAL APPROPRIATIONS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND FEDERAL DISABILITY INSURANCE TRUST FUND.

(a) PURPOSE.—The purpose of this section is to assure that the interest savings on the debt held by the public achieved as a result of Social Security surpluses from 2000 to 2015 are dedicated to Social Security solvency.

(b) ADDITIONAL APPROPRIATION TO TRUST FUNDS.—Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

''(n) ADDITIONAL APPROPRIATION TO TRUST FUNDS.

''(1) In addition to the amounts appropriated to the Trust Funds under subsections (a) and (b), there is hereby appropriated to the Trust Funds, out of any moneys in the Treasury not otherwise appropriated—

''(A) for the fiscal year ending September 30, 2011, and for each fiscal year thereafter through the fiscal year ending September 30, 2016, an amount equal to the prescribed amount for the fiscal year; and

''(B) for the fiscal year ending September 30, 2017, and for each fiscal year thereafter through the fiscal year ending September 30, 2044, and amount equal to the prescribed amount for the fiscal year ending September 30, 2016.

''(2) The amount appropriated by paragraph (1) in fiscal year shall be transferred in equal monthly installments.

''(3) The amount appropriated by paragraph (1) in each fiscal year shall be allocated between the Trust Funds in the same proportion as the taxes imposed by chapter 21 (other than sections 3101(b) and 3111(b)) of Title 26 with respect to wages (as defined in section 3121 of Title 26) reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of Title 26, and the taxes imposed by chapter 2 (other than section 1401(b)) of Title 26 with respect to self-employment income (as defined in section 1402 of Title 26) reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of Title 26, are allocated between the Trust Funds in the calendar year that begins in the fiscal year.

''(4) For purposes of this subsection, the ''prescribed amount'' for any fiscal year shall be determined by multiplying:

''(a) the excess of:

''(i) the sum of:

''(I) the face amount of all obligations of the United States held by the Trust Funds on the last day of the fiscal year immediately preceding the fiscal year of determination purchased with amounts appropriated or credited to the Trust Funds other than any amount appropriated under paragraph (1); and

''(II) the sum of the amounts appropriated under paragraph (1) and transferred under paragraph (2) through the last day of the fiscal year immediately preceding the fiscal year of determination, and an amount equal to the interest that would have been earned thereon had those amounts been invested in obligations of the United States issued directly to the Trust Funds under subsections (d) and (f)

''over—

''(ii) the face amount of all obligations of the United Sates held by the Trust Funds on September 30, 1999,

''times—

''(B) a rate of interest determined by the Secretary of the Treasury, at the beginning of the fiscal year of determination, as follows:

''(i) if there are any marketable interest-bearing obligations of the United States then forming a part of the pubic debt, a rate of interest determined by taking into consideration the average market yield (computed on the basis of daily closing market bid quotations or prices during the calendar month immediately preceding the determination of the rate of interest) on such obligations; and

''(ii) if there are no marketable interest-bearing obligations of the United States then forming a part of the public debt, a rate of interest determined to be the best approximation of the rate of interest described in clause (i), taking into consideration the average market yield (computed on the basis of daily closing market bid quotations or prices during the calendar month immediately preceding the determination of the rate of interest) on investment grade corporate obligations selected by the Secretary of the Treasury, less an adjustment made by the Secretary of the Treasury to take into account the difference between the yields on corporate obligations comparable to the obligations selected by the Secretary of the Treasury and yields on obligations of comparable maturities issued by risk-free government issuers selected by the Secretary of the Treasury.''.

SEC. 4. PROTECTION OF SOCIAL SECURITY SURPLUSES.

(a) POINTS OF ORDER TO PROTECT SOCIAL SECURITY SURPLUSES.—Section 312 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(g) POINTS OF ORDER TO PROTECT SOCIAL SECURITY SURPLUSES.—

''(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or conference report thereon or amendment thereto, that would set forth an on-budget deficit for any fiscal year.

''(2) SUBSEQUENT LEGISLATION.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

''(A) the enactment of that bill or resolution as reported;

''(B) the adoption and enactment of that amendment; or

''(C) the enactment of that bill or resolution in the form recommended in that conference report,

would cause or increase an on-budget deficit for any fiscal year.

''(3) BUDGET RESOLUTION BASELINE.—(A) For purposes of this section, ''set forth an on-budget deficit'', with respect to a budget resolution, means the resolution set forth an on-budget deficit for a fiscal year and the baseline budget project of the surplus or deficit for such fiscal year on which such resolution is based projects an on-budget surplus, on-budget balance, or an on-budget deficit that is less than the deficit set forth in the resolution.

''(B) For purposes of this section, ''cause or increase an on-budget deficit'' with respect to legislation means causes or increases an on-budget deficit relative to the baseline budget project.

''(C) For purposes of this section, the term ''baseline budget projection'' means the projection described in section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 of current year levels of outlays, receipts, and the surplus or deficit into the budget year and future years, except that—

''(i) if outlays for programs subject to discretionary appropriations are subject to discretionary statutory spending limits, such

outlays shall be projected at the level of any applicable current adjusted statutory discretionary spending limits;

''(ii) if outlays for programs subject to discretionary appropriations are not subject to discretionary spending limits, such outlays shall be projected as required by section 257 beginning in the first fiscal year following the last fiscal year in which such limits applied; and

''(iii) with respect to direct spending or receipts legislation previously enacted during the current calendar year and after the most recent baseline estimate pursuant to section 257 of the Balanced Budget and Emergency Deficit Control Act of 1995, the net extent (if any) by which all such legislation is more than fully paid for in one of the applicable time periods shall count as a credit for that time period against increases in direct spending or reductions in net revenue.''.

(b) CONTENT OF CONCURRENT RESOLUTION ON THE BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and by inserting after paragraph (5) the following new paragraph:

''(6) the receipts, outlays, and surplus or deficit in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, combined, established by title II of the Social Security Act;''.

(c) SUPER MAJORITY REQUIREMENT.—

(1) Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(2) Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

SEC. 5. PROTECTION OF MEDICARE.

(a) POINTS OF ORDER TO PROTECT MEDICARE.—

(1) Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''(j) POINT OF ORDER TO PROTECT MEDICARE.—

(1) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on the resolution) that would decrease the on-budget surplus for the total of the period of fiscal years 2000 through 2009 below the level of the Medicare surplus reserve for those fiscal years as calculated in accordance with section 3(11).

''(2) INAPPLICABILITY.—This subsection shall not apply to legislation that—

''(A) appropriates a portion of the Medicare reserve for new amounts for prescription drug benefits under the Medicare program as part of or subsequent to legislation extending the solvency of the Medicare Hospital Insurance Trust Fund; or

''(B) appropriates new amounts from the general fund to the Medicare Hospital Insurance Trust Fund.''.

(2) Section 311(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''(4) ENFORCEMENT OF THE MEDICARE SURPLUS RESERVE.—

''(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that together with associated interest costs would decrease the on-budget surplus for the total of the period of fiscal years 2000 through 2009 below the level of the Medicare surplus reserve for those fiscal years as calculated in accordance with section 3(11).

''(B) INAPPLICABILITY.—This paragraph shall not apply to legislation that—

''(i) appropriates a portion of the Medicare reserve for new amounts for prescription drug benefits under the Medicare program as part of or subsequent to legislation extending the solvency of the Medicare Hospital Insurance Trust Fund; or

''(ii) appropriates new amounts from the general fund to the Medicare Hospital Insurance Trust Fund.''.

(b) DEFINITION.—Section 3 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''(11) The term 'Medicare surplus reserve' means one-third of any on-budget surplus for the total of the period of the fiscal years 2000 through 2009, as estimated by the Congressional Budget Office in the most recent initial report for a fiscal year pursuant to section 202(e).''.

(c) SUPER MAJORITY REQUIREMENT.—

(1) Section 904(c)(2) of the Congressional Budget Act of 1974 is amended by inserting ''301(j),'' after ''301(i),''.

(2) Section 904(d)(3) of the Congressional Budget Act of 1974 is amended by inserting ''301(j),'' after ''301(i),''.

SEC. 6. EXTENSION OF DISCRETIONARY SPENDING LIMITS.

(a) EXTENSION OF LIMITS.—Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended, in the matter before paragraph (A), by deleting ''2002'', and inserting ''2014''.

(b) EXTENSION OF AMOUNTS.—Section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking paragraphs (4), (5), (6) and (7), and inserting the following:

''(4) With respect to fiscal year 2000,

''(A) for the discretionary category: $535,368,000,000 in new budget authority and $543,257,000,000 in outlays;

''(B) for the highway category: $24,574,000,000 in outlays;

''(C) for the mass transit category: $4,117,000,000 in outlays; and

''(D) for the violent crime reduction category: $4,500,000,000 in new budget authority and $5,564,000,000 in outlays;

''(5) With respect to fiscal year 2001,

''(A) for the discretionary category: $573,004,000,000 in new budget authority and $564,931,000,000 in outlays;

''(B) for the highway category: $26,234,000,000 in outlays; and

''(C) for the mass transit category: $4,888,000,000 in outlays;

''(6) With respect to fiscal year 2002,

''(A) for the discretionary category: $584,754,000,000 in new budget authority and $582,516,000,000 in outlays;

''(B) for the highway category: $26,655,000,000 in outlays; and

''(C) for the mass transit category: $5,384,000,000 in outlays;

''(7) With respect to fiscal year 2003,

''(A) for the discretionary category: $590,800,000,000 in new budget authority and $587,642,000,000 in outlays;

''(B) for the highway category: $27,041,000,000 in outlays; and

''(C) for the mass transit category: $6,124,000,000 in outlays;

''(8) With respect to fiscal year 2004, for the discretionary category: $604,319,000,000 in new budget authority and $634,039,000,000 in outlays;

''(9) With respect to fiscal year 2005, for the discretionary category: $616,496,000,000 in new budget authority and $653,530,000,000 in outlays;

''(10) With respect to fiscal year 2006, for the discretionary category: $630,722,000,000 in new budget authority and $671,530,000,000 in outlays;

''(11) With respect to fiscal year 2007, for the discretionary category: $644,525,000,000 in new budget authority and $687,532,000,000 in outlays;

''(12) With respect to fiscal year 2008, for the discretionary category: $663,611,000,000 in new budget authority and $704,534,000,000 in outlays; and

''(13) With respect to fiscal year 2009, for the discretionary category: $678,019,000,000 in new budget authority and $721,215,000,000 in outlays, ''as adjusted in strict conformance with subsection (b).

''With respect to fiscal year 2010 and each fiscal year thereafter, the term ''discretionary spending limit'' means, for the discretionary category, the baseline amount calculated pursuant to the requirements of Section 257(c), as adjusted in strict conformance with subsection (b).''.

SEC. 7. EXTENSION AND CLARIFICATION OF PAY-AS-YOU-GO REQUIREMENT.

Section 252 of the Balanced Budget And Emergency Deficit Control Act of 1985 is amended—

(a) in subsection (a), by striking ''October 1, 2002'' and inserting ''October 1, 2014'' and by adding ''or decreases the surplus'' after ''increases the deficit'';

(b)(1) in paragraph (1) of subsection (b), by striking ''October 1, 2002'' and inserting ''October 1, 2014'' and by adding ''or any net surplus decrease'' after ''any net deficit increase'';

(2) in paragraph (2) of subsection (b),

(i) in the header by adding ''or surplus decrease'' after ''deficit increase'';

(ii) in the matter before subparagraph (A), by adding ''or surplus'' after ''deficit''; and

(iii) in subparagraph (C), by adding ''or surplus'' after ''net deficit''; and

(3) in the header of subsection (c), by adding ''or surplus decrease'' after ''deficit increase''.

SEC. 8. EXTENSION OF BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT.—

Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''September 30, 2002' and inserting ''September 30, 2014'' and by striking ''September 30, 2006'' and inserting ''September 30, 2018''.

SEC. 9. EXTENSION OF SOCIAL SECURITY FIREWALL IN CONGRESSIONAL BUDGET ACT.—

Section 904(e) of the Congressional Budget Act of 1974 is amended by striking ''September 30, 2002'' and inserting ''September 30, 2014''.

SEC. 10. PROTECTION OF SOCIAL SECURITY INTEREST SAVINGS TRANSFERS.

(a) DEFINITION OF DEFICIT AND SURPLUS UNDER BUDGET ENFORCEMENT ACT.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended in paragraph (1) by adding '''surplus','' before ''and 'deficit''''.

(b) REDUCTION OR REVERSAL OF SOCIAL SECURITY TRANSFERS NOT TO BE COUNTED AS PAY-AS-YOU-GO OFFSET.—Any legislation that would reduce, reverse or repeal the transfers to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund made by Section 201(n) of the Social Security Act, as added by Section 3 of this Act, shall not be counted on the pay-as-you-go scorecard and shall not be included in any pay-as-you-go estimates made by the Congressional Budget Office or the Office of Management and Budget under Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) CONFORMING CHANGE.—Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended, in paragraph (4) of subsection (d), by—

(1) striking ''and'' after subparagraph (A),

(2) striking the period after the subparagraph (B) and inserting ''; and'', and

(3) adding the following:

''(C) provisions that reduce, reverse or repeal transfers under Section 201(n) of the Social Security Act.''.

SEC. 11. CONFORMING CHANGES.

(a) REPORTS.—Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in paragraph (3) of subsection (c)—

(A) in subparagraph (A), by adding ''or surplus'' after ''deficit'';

(B) in subparagraph (B), by adding ''or surplus'' after ''deficit''; and

(C) in subparagraph (C), by adding ''or surplus decrease'' after ''deficit increase'';

(2) in paragraph (4) of subsection (f), by adding ''or surplus'' after ''deficit''; and

(3) in subparagraph A of paragraph (2) of subsection (f), by striking ''2002'' and inserting ''2009''.

(b) ORDERS.—Section 258A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended in the first sentence by adding ''or increase the surplus'' after ''deficit''.

(c) PROCESS.—Section 258(C)(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in paragraph (2), by adding ''or surplus increase'' after ''deficit reduction'';

(2) in paragraph (3), by adding ''or increase in the surplus'' after ''reduction in the deficit''; and

(3) in paragraph (4), by adding ''or surplus increase'' after ''deficit reduction''.

THE WHITE HOUSE,
OFFICE OF THE PRESS SECRETARY,
October 26, 1999.

To the Congress of the United States:

I transmit herewith for your immediate consideration a legislative proposal entitled the ''Strengthen Social Security and Medicare Act of 1999.''

The Social Security system is one of the cornerstones of American national policy and together with the additional protections afforded by the Medicare system, has helped provide retirement security for millions of Americans over the last 60 years. However, the long-term solvency of the Social Security and Medicare trust funds is not guaranteed. The Social Security trust fund is currently expected to become insolvent starting in 2034 as the number of retired workers doubles. The Medicare system also faces significant financial shortfalls, with the Hospital Insurance Trust Fund projected to become exhausted in 2015. We need to take additional steps to strengthen Social Security and Medicare for future generations of Americans.

In addition to preserving Social Security and Medicare, the Congress and the President have a responsibility to future generations to reduce the debt held by the public. Paying down the debt will produce substantial interest savings, and this legislation proposes to devote these entirely to Social Security after 2010. At the same time, by contributing to the growth of the overall economy debt reduction will improve the Government's ability to fulfill its responsibilities and to face future challenges, including preserving and strengthening Social Security and Medicare.

The enclosed bill would help achieve these goals by devoting the entire Social Security surpluses to debt reduction, extending the solvency of Social Security to 2050, protecting Social Security and Medicare funds in the budget process, reserving one-third of the non-Social Security surplus to strengthen and modernize Medicare, and paying down the debt by 2015. It is clear and straightforward legislation that would strengthen and preserve Social Security and Medicare for our children and grandchildren. The bill would:

Extend the life of Social Security from 2034 to 2050 by reinvesting the interest savings from the debt reduction resulting from Social Security surpluses.

Establish a Medicare surplus reserve equal to one-third of any on-budget surplus for the total of the period of fiscal years 2000 through 2009 to strengthen and modernize Medicare.

Add a further protection for Social Security and Medicare by extending the budget enforcement rules that have provided the foundation for our fiscal discipline, including the discretionary caps and pay-as-you-go budget rules.

I urge the prompt and favorable consideration of this proposal.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *October 26, 1999.*

ADDITIONAL COSPONSORS

S. 345

At the request of Mr. ALLARD, the names of the Senator from Maryland (Mr. SARBANES) and the Senator from Nevada (Mr. REID) were added as cosponsors of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 391

At the request of Mr. KERREY, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 391, a bill to provide for payments to children's hospitals that operate graduate medical education programs.

S. 505

At the request of Mr. GRASSLEY, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. 505, a bill to give gifted and talented students the opportunity to develop their capabilities.

S. 607

At the request of Mr. CRAIG, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 607, a bill reauthorize and amend the National Geologic Mapping Act of 1992.

S. 909

At the request of Mr. CONRAD, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 909, a bill to provide for the review and classification of physician assistant positions in the Federal Government, and for other purposes.

S. 961

At the request of Mr. BURNS, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 961, a bill to amend the Consolidated Farm And Rural Development Act to improve shared appreciation arrangements.

S. 978

At the request of Mr. WARNER, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 978, a bill to specify that the legal public holiday known as Washington's Birthday be called by that name.

S. 1020

At the request of Mr. GRASSLEY, the names of the Senator from Arkansas (Mr. HUTCHINSON), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Nevada (Mr. REID), the Senator from Louisiana (Mr. BREAUX), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 1020, a bill to amend chapter 1 of title 9, United States Code, to provide for greater fairness in the arbitration process relating to motor vehicle franchise contracts.

S. 1099

At the request of Mr. BAUCUS, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1099, a bill to establish a mechanism for using the duties imposed on products of countries that fail to comply with WTO dispute resolution decision to provide relief to injured domestic producers.

S. 1109

At the request of Mr. MCCONNELL, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 1109, a bill to conserve global bear populations by prohibiting the importation, exportation, and interstate trade of bear viscera and items, products, or substances containing, or labeled or advertised as containing, bear viscera, and for other purposes.

S. 1131

At the request of Mr. EDWARDS, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1131, a bill to promote research into, and the development of an ultimate cure for, the disease known as Fragile X.

S. 1158

At the request of Mr. HUTCHINSON, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1158, a bill to allow the recovery of attorney's fees and costs by certain employers and labor organizations who are prevailing parties in proceedings brought against them by the National Labor Relations Board or by the Occupational Safety and Health Administration.

S. 1159

At the request of Mr. STEVENS, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1159, a bill to provide

grants and contracts to local educational agencies to initiate, expand, and improve physical education programs for all kindergarten through 12th grade students.

S. 1185

At the request of Mr. ABRAHAM, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 1185, a bill to provide small business certain protections from litigation excesses and to limit the product liability of non-manufacturer product sellers.

S. 1211

At the request of Mr. BENNETT, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1211, a bill to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner.

S. 1232

At the request of Mr. COCHRAN, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 1232, a bill to provide for the correction of retirement coverage errors under chapters 83 and 84 of title 5, United States Code.

S. 1364

At the request of Mr. BAYH, the names of the Senator from Nebraska (Mr. KERREY) and the Senator from Michigan (Mr. ABRAHAM) were added as cosponsors of S. 1364, a bill to amend title IV of the Social Security Act to increase public awareness regarding the benefits of lasting and stable marriages and community involvement in the promotion of marriage and fatherhood issues, to provide greater flexibility in the Welfare-to-Work grant program for long-term welfare recipients and low income custodial and noncustodial parents, and for other purposes.

S. 1384

At the request of Mr. ABRAHAM, the names of the Senator from Nebraska (Mr. HAGEL) and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 1384, a bill to amend the Public Health Service Act to provide for a national folic acid education program to prevent birth defects, and for other purposes.

S. 1442

At the request of Mr. REED, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1442, a bill to provide for the professional development of elementary and secondary school teachers.

S. 1453

At the request of Mr. FRIST, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 1453, a bill to facilitate relief efforts and a comprehensive solution to the war in Sudan.

S. 1487

At the request of Mr. AKAKA, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1487, a bill to provide for excellence in economic education, and for other purposes.

S. 1528

At the request of Mr. LOTT, the names of the Senator from South Dakota (Mr. JOHNSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Connecticut (Mr. DODD), the Senator from Illinois (Mr. FITZGERALD), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 1528, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions.

S. 1547

At the request of Mr. BURNS, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1547, a bill to amend the Communications Act of 1934 to require the Federal Communications Commission to preserve low-power television stations that provide community broadcasting, and for other purposes.

S. 1619

At the request of Mr. DEWINE, the names of the Senator from Michigan (Mr. ABRAHAM), the Senator from Florida (Mr. MACK), and the Senator from Texas (Mrs. HUTCHISON) were added as cosponsors of S. 1619, a bill to amend the Trade Act of 1974 to provide for periodic revision of retaliation lists or other remedial action implemented under section 306 of such Act.

S. 1673

At the request of Mr. DEWINE, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 1673, a bill to amend titles 10 and 18, United States Code, to protect unborn victims of violence.

S. 1718

At the request of Mr. KERRY, the names of the Senator from Washington (Mrs. MURRAY), the Senator from California (Mrs. FEINSTEIN), and the Senator from California (Mrs. BOXER) were added as cosponsors of S. 1718, a bill to amend the Internal Revenue Code of 1986 to provide a credit for medical research related to developing vaccines against widespread diseases.

S. 1729

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1729, a bill to amend the National Trails System Act to clarify Federal authority relating to land acquisition from willing sellers for the majority of the trails, and for other purposes.

S. 1745

At the request of Mr. REED, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1745, a bill to establish and expand child opportunity zone family centers in elementary schools and secondary schools, and for other purposes.

S. 1771

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 1771, a bill to provide stability in the United States agriculture sector and to promote adequate availability of food and medicine for humanitarian assistance abroad by requiring congressional approval before the imposition of any unilateral agricultural medical sanction against a foreign country or foreign entity.

S. 1791

At the request of Mr. ROBB, his name was added as a cosponsor of S. 1791, a bill to authorize the Librarian of Congress to purchase papers of Dr. Martin Luther King, Junior, from Dr. King's estate.

S. 1810

At the request of Mrs. MURRAY, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1810, a bill to amend title 38, United States Code, to clarify and improve veterans' claims and appellate procedures.

S. 1813

At the request of Mr. KENNEDY, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 1813, a bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes.

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. CONRAD, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution expressing the sense of Congress regarding the guaranteed coverage of chiropractic services under the Medicare+Choice program.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. FEINGOLD, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *Wisconsin* and all those who served aboard her.

SENATE CONCURRENT RESOLUTION 61

At the request of Mr. SESSIONS, the names of the Senator from Michigan (Mr. ABRAHAM), the Senator from Missouri (Mr. ASHCROFT), and the Senator from Idaho (Mr. CRAPO) were added as cosponsors of Senate Concurrent Resolution 61, a concurrent resolution expressing the sense of the Congress regarding a continued United States security presence in Panama and a review of the contract bidding process for the Balboa and Cristobal port facilities on each end of the Panama Canal.

SENATE RESOLUTION 118

At the request of Mr. REID, the name of the Senator from Delaware (Mr. ROTH) was added as a cosponsor of Senate Resolution 118, a resolution designating December 12, 1999, as ''National Children's Memorial Day.''

SENATE RESOLUTION 185

At the request of Mr. MACK, his name was added as a cosponsor of Senate

Resolution 185, a resolution recognizing and commending the personnel of Eglin Air Force Base, Florida, for their participation and efforts in support of the North Atlantic Treaty Organization's (NATO) Operation Allied Force in the Balkan Region.

SENATE RESOLUTION 196

At the request of Mr. WARNER, the names of the Senator from South Carolina (Mr. THURMOND), the Senator from Nebraska (Mr. HAGEL), and the Senator from Maine (Ms. SNOWE) were added as cosponsors of Senate Resolution 196, a resolution commending the submarine force of the United States Navy on the 100th anniversary of the force.

SENATE RESOLUTION 204

At the request of Mr. HATCH, the names of the Senator from South Dakota (Mr. JOHNSON) and the Senator from New Jersey (Mr. TORRICELLI) were added as cosponsors of Senate Resolution 204, a resolution designating the week beginning November 21, 1999, and the week beginning on November 19, 2000, as ''National Family Week,'' and for other purposes.

SENATE RESOLUTION 208—EXPRESSING THE SENSE OF THE SENATE REGARDING UNITED STATES POLICY TOWARD THE NORTH ATLANTIC TREATY ORGANIZATION AND THE EUROPEAN UNION, IN LIGHT OF THE ALLIANCE'S APRIL 1999 WASHINGTON SUMMIT AND THE EUROPEAN UNION'S JUNE 1999 COLOGNE SUMMIT

Mr. ROTH (for himself, Mr. LUGAR, Mr. BIDEN, Mr. KYL, Mr. HAGEL, Mr. SMITH of Oregon, Mr. LIEBERMAN, and Mr. HELMS) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 208

Whereas NATO is the only military alliance with both real defense capabilities and a transatlantic membership;

Whereas NATO is the only institution that promotes a uniquely transatlantic perspective and approach to issues concerning the security of North America and Europe;

Whereas NATO's military force structure, defense planning, command structures, and force goals must be sufficient for the collective self-defense of its members, capable of projecting power when the security of a NATO member is threatened, and provide a basis for ad hoc coalitions of willing partners among NATO members to defend common values and interests;

Whereas these requirements dictate that European NATO members possess national military capabilities to rapidly deploy forces over long distances, sustain operations for extended periods of time, and operate jointly with the United States in high-intensity conflicts;

Whereas NATO's military operations against the Federal Republic of Yugoslavia (Serbia and Montenegro) in 1999 highlighted (1) the significant shortcomings of European allies in command, control, communication, and intelligence resources; combat aircraft; precision-guided munitions; airlift; deployability; and logistics; and (2) the overall imbalance between United States and European defense capabilities;

Whereas this imbalance in United States and European NATO defense capabilities undercuts the Alliance's goal of equitable transatlantic burden-sharing;

Whereas NATO has undertaken great efforts to facilitate the emergence of a stronger European pillar within NATO through the European Security and Defense Identity, including the identification of NATO's Deputy Supreme Allied Commander as the commander of operations led by the Western European Union (WEU); the creation of a NATO Headquarters for WEU-led operations; and the establishment of close linkages between NATO and the WEU, including planning, exercises, and regular consultations;

Whereas in promulgating NATO's Defense Capabilities Initiative Alliance members committed themselves to improving their respective forces in five areas: (1) effective engagement; (2) deployability and mobility; (3) sustainability and logistics; (4) survivability; and (5) command, control and communications.

Whereas on June 3, 1999, the European Union, in the course of its Cologne Summit, agreed to absorb the functions and structures of the Western European Union, including its command structures and military forces, and established within it the post of High Representative for Common Foreign and Security Policy; and

Whereas the European Union's decisions at its June 3, 1999 Cologne Summit indicate a new determination of its member states to develop a European Security and Defense Identity with strengthened defense capabilities to address regional conflicts and crisis management: Now, therefore, be it

Resolved,

SECTION 1. UNITED STATES POLICY TOWARD NATO.

(a) SENSE OF THE SENATE.—The Senate—

(1) believes NATO should remain the primary institution through which European and North American allies address security issues of transatlantic concern;

(2) believes all NATO members should commit to improving their respective defense capabilities so that NATO can project power decisively with equitable burden-sharing;

(3) endorses NATO's decision to launch the Defense Capabilities Initiative, which is intended to improve the defense capabilities of the European Allies, particularly the deployability, mobility, sustainability, and interoperability of these European forces;

(4) acknowledges the resolve of the European Union to have the capacity for autonomous action so that it can take decisions and approve military action where the Alliance as a whole is not engaged; and

(5) calls upon the member states of NATO and the European Union to promulgate together during their respective meetings, ministerials, and summits in the course of 1999 principles that will strengthen the transatlantic partnership, reinforce unity within NATO, and harmonize their roles in transatlantic affairs.

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

(1) on matters of trans-Atlantic concern the European Union should make clear that it would undertake an autonomous mission through its European Security and Defense Identity only after the North Atlantic Treaty Organization had been offered the opportunity to undertake that mission but had referred it to the European Union for action;

(2) improved European military capabilities, not new institutions outside of the Alliance, are the key to a vibrant and more influential European Security and Defense Identity within NATO;

(3) failure of the European allies of the United States to achieve the goals established through the Defense Capabilities Initiative would weaken support for the Alliance in the United States;

(4) the President, the Secretary of State, and the Secretary of Defense should fully use their offices to encourage the NATO allies of the United States to commit the resources necessary to upgrade their capabilities to rapidly deploy forces over long distances, sustain operations for extended periods of time, and operate jointly with the United States in high-intensity conflicts, thus making them effective partners of the United States in supporting mutual interests;

(5) the European Union must implement its Cologne Summit decisions concerning its Common Foreign and Security Policy in a manner that will ensure that non-WEU NATO allies, including Canada, the Czech Republic, Denmark, Hungary, Iceland, Norway, Poland, Turkey, and the United States, will not be discriminated against, but will be fully involved when the European Union addresses issues affecting their security interests;

(6) the European Union's implementation of the Cologne Summit decisions should not promote a strategic perspective on transatlantic security issues that conflicts with that promoted by the North Atlantic Treaty Organization;

(7) the European Union's implementation of its Cologne Summit decisions should not promote unnecessary duplication of the resources and capabilities provided by NATO; and

(8) the European Union's implementation of its Cologne Summit decisions should not promote a decline in the military resources that European allies contribute to NATO, but should instead promote the complete fulfillment of their respective force commitments to the Alliance.

Mr. BIDEN. Mr. President, I rise today to introduce, with Senator ROTH, Senator LUGAR and other colleagues, a resolution that attempts to clarify the relationship between the European Union's new European Security and Defense Identify, popularly known by its acronym ESDI, and the North Atlantic Treaty Organization.

Mr. President, as my colleagues will remember, ESDI has been gathering momentum since last December's meeting in St. Malo, France between French President Chirac and British Prime Minister Blair. It is part of the European Union's Common Foreign and Security Policy, which the EU sees as essential to its development as ''an ever closer union.''

ESDI was discussed in the communique of the April 1999 NATO Washington Summit, and it was elaborated on in the communique of the June 1999 EU Cologne Summit.

Let me say up front that I believe that ESDI—if it is developed in proper coordination with NATO—can serve the national interest of the United States by becoming a valuable vehicle for strengthening the European military contribution to NATO. Put another way, ESDI, if handled correctly, can at long last create more equitable burden-sharing between our European NATO allies and the United States.

NATO must and will remain the preeminent organization to defend the territory of the North Atlantic area against all external threats, as envisioned in Article 5 of the North Atlantic Treaty of April 4, 1949 and restated

on April 30, 1998 by the United States Senate in its Resolution of Ratification of the enlargement of the Alliance to include Poland, the Czech Republic, and Hungary.

NATO may also, pursuant to Article 4 of the North Atlantic Treaty, on a case-by-case basis, engage in other missions when there is consensus among its members that there is a threat to the security and interests of NATO members. These missions have become known as non-Article 5 missions and were also reaffirmed by the Senate in the April 30, 1998 Resolution of Ratification of NATO enlargement.

ESDI's field of action should be restricted to those non-Article 5 missions in which NATO as an organization does not wish to involve itself. In practice, Mr. President, this would mean that at some future date if the need for military action arose in non-NATO Europe and the United States did not wish to become involved, the European Union could undertake the effort, utilizing, in part, NATO assets.

Mr. President, I believe that such a situation with a rejuvenated European pillar of the alliance could free up forces of this country for possible action elsewhere.

Let me emphasize, however, that in order for ESDI to accomplish both the goals of the European Union and of NATO, it must be clearly designed in a way that gives NATO the ''right of first refusal'' on non-Article 5 missions. To repeat—if NATO would not wish to become involved, then the European Union would have the option of leading the mission.

In addition, Mr. President, we must be sure that ESDI does not duplicate resources or discriminate against non-EU European NATO members (Norway, Turkey, Iceland, Poland, Czech Republic, and Hungary).

Mr. President, in my opinion the biggest danger is that ESDI could be constructed as an alternative to NATO for non-Article 5 missions. If this would happen, it could lead to an estrangement of the United States from its European allies.

Unfortunately, the June 1999 Cologne EU Summit communique subtly modified the language of the April 1999 Washington NATO Summit communique in the direction of ESDI as an autonomous EU military organ, using NATO assets, without giving NATO this necessary ''right of first refusal'' for non-Article 5 missions.

The European Union is currently involved in internal negotiations on a further elaboration of ESDI at the December EU Summit in Helsinki. The Sense of the Senate resolution that we are introducing serves as a clear message to our friends in the European Union that while we recognize their aspirations for a European Security and Defense Identity, it must complement NATO, not be in competition with, or duplicative of it.

With that in mind, our Resolution traces the development of ESDI, citing both the Washington NATO Summit and the Cologne EU Summit. It stresses that the Yugoslav air campaign demonstrated the military shortcomings of the European allies and the imbalance with the United States, both of which the allies have pledged to address through the NATO Defense Capabilities Initiative.

The Resolution then expresses several items that are the Sense of the Senate.

NATO should remain the primary institution for security issues of trans-Atlantic concern;

All NATO members should commit to improving their defense capabilities so that the Alliance can project power decisively with equitable burden-sharing;

The Defense Capabilities Initiative adopted at the Washington NATO Summit is specifically endorsed;

The resolve of the EU to have the capacity for autonomous action where the Alliance as a whole is not engaged is acknowledged;

The member states of NATO and the EU should promulgate principles that will strengthen the trans-Atlantic partnership and reinforce unity within NATO.

Then, Mr. President, cutting directly to the heart of preventing ESDI's becoming an alternative to NATO for non-Article 5 missions, the Resolution offers the Further Sense of the Senate that ''on matters of trans-Atlantic concern the European Union should make clear that it would undertake an autonomous mission through its European Security and Defense Identity only after the North Atlantic Treaty Organization had been offered the opportunity to undertake that mission but had referred it to the European Union for action.''

Further, and directly relevant to the issue of more equitable burden-sharing, the Resolution states the Sense of the Senate that ''failure of the European allies of the United States to achieve the goals established through the Defense Capabilities Initiative would weaken support for the Alliance in the United States.''

Addressing the issue of non-discrimination by the EU against non-EU NATO members, the Resolution states the Sense of the Senate that ''the European Union must implement its Cologne Summit decisions concerning its Common Foreign and Security Policy in a manner that will ensure that non-WEU NATO allies, including Canada, the Czech Republic, Denmark, Hungary, Iceland, Norway, Poland, Turkey, and the United States, will not be discriminated against, but will be fully involved when the European Union addresses issues affecting their security interests.''

Finally, the Resolution expresses the Sense of the Senate that the EU's implementation of its Cologne Summit decisions should not promote a strategic perspective on trans-Atlantic security issues that conflicts with that promoted by NATO and should not promote unnecessary duplication of the resources and capabilities provided by NATO.

Mr. President, the North Atlantic Treaty Organization remains the cornerstone of our engagement with Europe. The resolution we have introduced makes clear to our partners that we support the European Union's European Security and Defense Identity as long as it is developed in a manner to strengthen NATO, not weaken it.

I thank the Chair and yield the floor.

AMENDMENTS SUBMITTED

THE AFRICAN GROWTH AND OPPORTUNITY ACT

BINGAMAN AMENDMENT NO. 2345

(Ordered to lie on the table.)

Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill (H.R. 434) to authorize a new trade and investment policy for sub-Sahara Africa; as follows:

At the appropriate place, insert the following new section:

SEC. ___. REPORT.

(a) IN GENERAL.—Not later than 9 months after the date of enactment of this section, the Comptroller General of the United States shall submit a report to Congress regarding the efficiency and effectiveness of Federal and State coordination of unemployment and retraining activities associated with the following programs and legislation:

(1) trade adjustment assistance (including NAFTA trade adjustment assistance) provided for under title II of the Trade Act of 1974;

(2) the Job Training Partnership Act;

(3) the Workforce Investment Act; and

(4) unemployment insurance.

(b) PERIOD COVERED.—The report shall cover the activities involved in the programs and legislation listed in subsection (a) from January 1, 1994 to December 31, 1999.

(c) DATA AND RECOMMENDATIONS.—The report shall at a minimum include specific data and recommendations regarding—

(1) the compatibility of program requirements related to the employment and retraining of dislocated workers in the United States, with particular emphasis on the trade adjustment assistance programs provided for under title II of the Trade Act of 1974;

(2) the compatibility of application procedures related to the employment and retraining of dislocated workers in the United States;

(3) the capacity of these programs to assist workers negatively impacted by foreign trade and the transfer of production to other countries, measured in terms of employment and wages;

(4) the capacity of these programs to assist secondary workers negatively impacted by foreign trade and the transfer of production to other countries, measured in terms of employment and wages;

(5) how the impact of foreign trade and the transfer of production to other countries would have changed the number of beneficiaries covered under the trade adjustment assistance program if the trade adjustment assistance program covered secondary workers in the United States; and

(6) the effectiveness of the programs described in subsection (a) in achieving reemployment of United States workers and

maintaining wage levels of United States workers who have been dislocated as a result of foreign trade and the transfer of production to other countries.

SANTORUM (AND BYRD) AMENDMENT NO. 2346

(Ordered to lie on the table.)

Mr. SANTORUM (for himself and Mr. BYRD) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new section:

SEC. ___. MORATORIUM ON ANTIDUMPING AND COUNTERVAILING DUTY AGREEMENTS.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Senate is deeply concerned that, in connection with the World Trade Organization (''WTO'') Ministerial meeting to be held in Seattle, Washington, and the multilateral trade negotiations expected to follow, a few countries are seeking to circumvent the agreed list of negotiating topics and reopen debate over the WTO's antidumping and antisubsidy rules.

(2) Strong antidumping and antisubsidy rules are a cornerstone of the liberal trade policy of the United States and are essential to the health of the manufacturing and farm sectors in the United States.

(3) It has long been and remains the policy of the United States to support its antidumping and antisubsidy laws and to defend those laws in international negotiations.

(4) The WTO antidumping and antisubsidy rules concluded in the Uruguay Round have scarcely been tested since they entered into effect and certainly have not proved defective.

(5) Opening these rules to renegotiation could only lead to weakening them, which would in turn lead to even greater abuse of the world's open markets, particularly that of the United States.

(6) Conversely, avoiding another divisive fight over these rules is the best way to promote progress on the other, far more important, issues facing WTO members.

(7) It is therefore essential that negotiations on these antidumping and antisubsidy matters not be reopened under the auspices of the WTO or otherwise.

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

(1) not participate in any international negotiation in which antidumping or antisubsidy rules are part of the negotiating agenda;

(2) refrain from submitting for congressional approval agreements that require weakening changes to the current antidumping and countervailing duty laws and enforcement policies of the United States; and

(3) enforce the antidumping and countervailing duty laws vigorously in all pending and future cases.

SPECTER (AND OTHERS) AMENDMENT NO. 2347

(Ordered to lie on the table.)

Mr. SPECTER (for himself, Mr. HOLLINGS, Mr. HATCH, Mr. SANTORUM, Mr. BYRD, and Mr. HELMS) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new title:

TITLE ___—PRIVATE RIGHT OF ACTION FOR DUMPED AND SUBSIDIZED MERCHANDISE

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Unfair Foreign Competition Act of 1999''.

SEC. ___02. PRIVATE ACTIONS FOR RELIEF FROM UNFAIR FOREIGN COMPETITION.

(a) CLAYTON ACT.—Section 1(a) of the Clayton Act (15 U.S.C. 12) is amended by inserting ''section 801 of the Act of September 8, 1916, entitled 'An Act to raise revenue, and for other purposes' (39 Stat. 798; 15 U.S.C. 72);'' after ''nineteen hundred and thirteen;''.

(b) ACTION FOR DUMPING VIOLATIONS.—Section 801 of the Act of September 8, 1916 (39 Stat. 798; 15 U.S.C. 72) is amended to read as follows:

''SEC. 801. IMPORTATION OR SALE OF ARTICLES AT LESS THAN FOREIGN MARKET VALUE OR CONSTRUCTED VALUE.

''(a) PROHIBITION.—No person shall import into, or sell within, the United States an article manufactured or produced in a foreign country if—

''(1) the article is imported or sold within the United States at a United States price that is less than the foreign market value or constructed value of the article; and

''(2) the importation or sale—

''(A) causes or threatens to cause material injury to industry or labor in the United States; or

''(B) prevents, in whole or in part, the establishment or modernization of any industry in the United States.

''(b) CIVIL ACTION.—An interested party whose business or property is injured by reason of an importation or sale of an article in violation of this section may bring a civil action in the Court of International Trade against any person who—

''(1) manufactures, produces, or exports the article; or

''(2) imports the article into the United States if the person is related to the manufacturer or exporter of the article.

''(c) RELIEF.—

''(1) IN GENERAL.—Upon an affirmative determination by the Court of International Trade in an action brought under subsection (b), the court shall issue an order that includes a description of the subject article in such detail as the court deems necessary and shall—

''(A) direct the Customs Service to assess an antidumping duty on the article covered by the determination in accordance with section 736(a) of the Tariff Act of 1930 (19 U.S.C. 1673e); and

''(B) require the deposit of estimated antidumping duties pending liquidation of entries of the article at the same time as estimated normal customs duties on that article are deposited.

''(d) STANDARD OF PROOF.—

''(1) PREPONDERANCE OF EVIDENCE.—The standard of proof in an action brought under subsection (b) is a preponderance of the evidence.

''(2) SHIFT OF BURDEN OF PROOF.—Upon—

''(A) a prima facie showing of the elements set forth in subsection (a), or

''(B) affirmative final determinations adverse to the defendant that are made by the administering authority and the United States International Trade Commission under section 735 of the Tariff Act of 1930 (19 U.S.C. 1673d) relating to imports of the article in question for the country in which the manufacturer of the article is located,

the burden of proof in an action brought under subsection (b) shall be upon the defendant.

''(e) OTHER PARTIES.—

''(1) IN GENERAL.—Whenever, in an action brought under subsection (b), it appears to the court that justice requires that other parties be brought before the court, the court may cause them to be summoned, without regard to where they reside, and the subpoenas to that end may be served and enforced in any judicial district of the United States.

''(2) SERVICE ON DISTRICT DIRECTOR OF CUSTOMS SERVICE.—A foreign manufacturer, producer, or exporter that sells articles, or for whom articles are sold by another party in the United States, shall be treated as having appointed the District Director of the United States Customs Service for the port through which the article that is the subject of the action is commonly imported as the true and lawful agent of the manufacturer, producer, or exporter, and all lawful process may be served on the District Director in any action brought under subsection (b) against the manufacturer, producer, or exporter.

''(f) LIMITATION.—

''(1) STATUTE OF LIMITATION.—An action under subsection (b) shall be commenced not later than 4 years after the date on which the cause of action accrues.

''(2) SUSPENSION.—The 4-year period provided for in paragraph (1) shall be suspended—

''(A) while there is pending an administrative proceeding under subtitle B of title VII of the Tariff Act of 1930 (19 U.S.C. 1673 et seq.) relating to the article that is the subject of the action or an appeal of a final determination in such a proceeding; and

''(B) for 1 year thereafter.

''(g) NONCOMPLIANCE WITH COURT ORDER.—If a defendant in an action brought under subsection (b) fails to comply with any discovery order or other order or decree of the court, the court may—

''(1) enjoin the further importation into, or the sale or distribution within, the United States by the defendant of articles that are the same as, or similar to, the articles that are alleged in the action to have been sold or imported under the conditions described in subsection (a) until such time as the defendant complies with the order or decree; or

''(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

''(h) CONFIDENTIALITY AND PRIVILEGED STATUS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be maintained in any action brought under subsection (b).

''(2) EXCEPTION.—In an action brought under subsection (b) the court may—

''(A) examine, in camera, any confidential or privileged material;

''(B) accept depositions, documents, affidavits, or other evidence under seal; and

''(C) disclose such material under such terms and conditions as the court may order.

''(i) EXPEDITION OF ACTION.—An action brought under subsection (b) shall be advanced on the docket and expedited in every way possible.

''(j) DEFINITIONS.—In this section, the terms 'United States price', 'foreign market value', 'constructed value', 'subsidy', 'interested party', and 'material injury', have the meanings given those terms under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

''(k) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in any action brought under subsection (b) as a matter of right. The United States shall have all the rights of a party to such action.

''(l) NULLIFICATION OF ORDER.—An order by a court under this section may be set aside

by the President pursuant to section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).''.

(c) ACTION FOR SUBSIDIES VIOLATIONS.—Title VIII of the Act of September 8, 1916 (39 U.S.C. 798; 15 U.S.C. 71 et seq.) is amended by adding at the end the following new section:

''SEC. 807. IMPORTATION OR SALE OF SUBSIDIZED ARTICLES.

''(a) PROHIBITION.—No person shall import into, or sell within, the United States an article manufactured or produced in a foreign country if—

''(1) the foreign country, any person who is a citizen or national of the foreign country, or a corporation, association, or other organization organized in the foreign country, is providing (directly or indirectly) a subsidy with respect to the manufacture, production, or exportation of the article; and

''(2) the importation or sale—

''(A) causes or threatens to cause material injury to industry or labor in the United States; or

''(B) prevents, in whole or in part, the establishment or modernization of any industry in the United States.

''(b) CIVIL ACTION.—An interested party whose business or property is injured by reason of the importation or sale of an article in violation of this section may bring a civil action in the Court of International Trade against any person who—

''(1) manufactures, produces, or exports the article; or

''(2) imports the article into the United States if the person is related to the manufacturer, producer, or exporter of the article.

''(c) RELIEF.—

''(1) IN GENERAL.—Upon an affirmative determination by the Court of International Trade in an action brought under subsection (b), the court shall issue an order that includes a description of the subject article in such detail as the court deems necessary and shall—

''(A) direct the Customs Service to assess a countervailing duty on the article covered by the determination in accordance with section 706(a) of the Tariff Act of 1930 (19 U.S.C. 1671e); and

''(B) require the deposit of estimated countervailing duties pending liquidation of entries of the article at the same time as estimated normal customs duties on that article are deposited.

''(d) STANDARD OF PROOF.—

''(1) PREPONDERANCE OF EVIDENCE.—The standard of proof in an action filed under subsection (b) is a preponderance of the evidence.

''(2) SHIFT OF BURDEN OF PROOF.—Upon—

''(A) a prima facie showing of the elements set forth in subsection (a), or

''(B) affirmative final determinations adverse to the defendant that are made by the administering authority and the United States International Trade Commission under section 705 of the Tariff Act of 1930 (19 U.S.C. 1671d) relating to imports of the article in question from the country in which the manufacturer of the article is located,

the burden of proof in an action brought under subsection (b) shall be upon the defendant.

''(e) OTHER PARTIES.—

''(1) IN GENERAL.—Whenever, in an action brought under subsection (b), it appears to the court that justice requires that other parties be brought before the court, the court may cause them to be summoned, without regard to where they reside, and the subpoenas to that end may be served and enforced in any judicial district of the United States.

''(2) SERVICE ON DISTRICT DIRECTOR OF CUSTOMS SERVICE.—A foreign manufacturer, producer, or exporter that sells articles, or for which articles are sold by another party in the United States, shall be treated as having appointed the District Director of the United States Customs Service for the port through which the article that is the subject of the action is commonly imported as the true and lawful agent of the manufacturer, producer, or exporter, and all lawful process may be served on the District Director in any action brought under subsection (b) against the manufacturer, producer, or exporter.

''(f) LIMITATION.—

''(1) STATUTE OF LIMITATIONS.—An action under subsection (b) shall be commenced not later than 4 years after the date on which the cause of action accrues.

''(2) SUSPENSION.—The 4-year period provided for in paragraph (1) shall be suspended—

''(A) while there is pending an administrative proceeding under subtitle A of title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) relating to the article that is the subject of the action or an appeal of a final determination in such a proceeding; and

''(B) for 1 year thereafter.

''(g) NONCOMPLIANCE WITH COURT ORDER.—If a defendant in an action brought under subsection (b) fails to comply with any discovery order or other order or decree of the court, the court may—

''(1) enjoin the further importation into, or the sale or distribution within, the United States by the defendant of articles that are the same as, or similar to, the articles that are alleged in the action to have been sold or imported under the conditions described in subsection (a) until such time as the defendant complies with the order or decree; or

''(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

''(h) CONFIDENTIALITY AND PRIVILEGED STATUS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be maintained in any action brought under subsection (b).

''(2) EXCEPTION.—In an action brought under subsection (b) the court may—

''(A) examine, in camera, any confidential or privileged material;

''(B) accept depositions, documents, affidavits, or other evidence under seal; and

''(C) disclose such material under such terms and conditions as the court may order.

''(i) EXPEDITION OF ACTION.—An action brought under subsection (b) shall be advanced on the docket and expedited in every way possible.

''(j) DEFINITIONS.—In this section, the terms 'subsidy', 'material injury', and 'interested party' have the meanings given those terms under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

''(k) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in any action brought under subsection (b) as a matter of right. The United States shall have all the rights of a party to such action.

''(l) NULLIFICATION OF ORDER.—An order by a court under this section may be set aside by the President pursuant to section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).''.

(d) ACTION FOR CUSTOMS FRAUD.—

(1) AMENDMENT OF TITLE 28, UNITED STATES CODE.—Chapter 95 of title 28, United States Code, is amended by adding at the end the following new section:

''§ 1586. Private enforcement action for customs fraud

''(a) CIVIL ACTION.—An interested party whose business or property is injured by a fraudulent, grossly negligent, or negligent violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)) may bring a civil action in the Court of International Trade, without respect to the amount in controversy.

''(b) RELIEF.—Upon proof by an interested party that the business or property of such interested party has been injured by a fraudulent, grossly negligent, or negligent violation of section 592(a) of the Tariff Act of 1930, the interested party shall—

''(1)(A) be granted such equitable relief as may be appropriate, which may include an injunction against further importation into the United States of the merchandise in question; or

''(B) if injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

''(2) recover the costs of suit, including reasonable attorney's fees.

''(c) DEFINITIONS.—For purposes of this section:

''(1) INTERESTED PARTY.—The term 'interested party' means—

''(A) a manufacturer, producer, or wholesaler in the United States of like or competing merchandise; or

''(B) a trade or business association a majority of whose members manufacture, produce, or wholesale like merchandise or competing merchandise in the United States.

''(2) LIKE MERCHANDISE.—The term 'like merchandise' means merchandise that is like, or in the absence of like, most similar in characteristics and users with, merchandise being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

''(3) COMPETING MERCHANDISE.—The term 'competing merchandise' means merchandise that competes with or is a substitute for merchandise being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

''(d) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in an action brought under this section, as a matter of right. The United States shall have all the rights of a party.

''(e) NULLIFICATION OF ORDER.—An order by a court under this section may be set aside by the President pursuant to section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).''.

(2) TECHNICAL AMENDMENT.—The chapter analysis for chapter 95 of title 28, United States Code, is amended by adding at the end the following new item:

''1586. Private enforcement action for customs fraud.''.

SEC. ___03. AMENDMENTS TO THE TARIFF ACT OF 1930.

(a) IN GENERAL.—Title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) is amended by inserting after section 753 the following new section:

''SEC. 754. CONTINUED DUMPING AND SUBSIDY OFFSET.

''(a) IN GENERAL.—Duties assessed pursuant to a countervailing duty order, an antidumping duty order, or a finding under the Antidumping Act of 1921 shall be distributed on an annual basis under this section to workers for damages sustained for loss of wages resulting from the loss of jobs, and to the affected domestic producers for qualifying expenditures. Such distribution shall be known as the 'continued dumping and subsidy offset'.

''(b) DEFINITIONS.—As used in this section:

''(1) AFFECTED DOMESTIC PRODUCER.—The term 'affected domestic producer' means any manufacturer, producer, farmer, rancher, or worker representative (including associations of such persons) that—

''(A) was a petitioner or interested party in support of the petition with respect to which an antidumping duty order, a finding under the Antidumping Act of 1921, or a countervailing duty order has been entered, and

''(B) remains in operation.

Companies, businesses, or persons that have ceased the production of the product covered by the order or finding or who have been acquired by a company or business that is related to a company that opposed the investigation shall not be an affected domestic producer.

''(2) COMMISSIONER.—The term 'Commissioner' means the Commissioner of Customs.

''(3) COMMISSION.—The term 'Commission' means the United States International Trade Commission.

''(4) QUALIFYING EXPENDITURE.—The term 'qualifying expenditure' means an expenditure incurred after the issuance of the antidumping duty finding or order or countervailing duty order in any of the following categories:

''(A) Plant.

''(B) Equipment.

''(C) Research and development.

''(D) Personnel training.

''(E) Acquisition of technology.

''(F) Health care benefits to employees paid for by the employer.

''(G) Pension benefits to employees paid for by the employer.

''(H) Environmental equipment, training, or technology.

''(I) Acquisition of raw materials and other inputs.

''(J) Borrowed working capital or other funds needed to maintain production.

''(5) RELATED TO.—A company, business, or person shall be considered to be 'related to' another company, business, or person if—

''(A) the company, business, or person directly or indirectly controls or is controlled by the other company, business, or person,

''(B) a third party directly or indirectly controls both companies, businesses, or persons,

''(C) both companies, businesses, or persons directly or indirectly control a third party and there is reason to believe that the relationship causes the first company, business, or persons to act differently than a nonrelated party.

For purposes of this paragraph, a party shall be considered to directly or indirectly control another party if the party is legally or operationally in a position to exercise restraint or direction over the other party.

''(6) WORKERS.—The term 'workers' refers to persons who sustained damages for loss of wages resulting from loss of jobs. The Secretary of Labor shall determine eligibility for purposes of this section.

''(c) DISTRIBUTION PROCEDURES.—The Commissioner in consultation with the Secretary of Labor shall prescribe procedures for distribution of the continued dumping or subsidies offset required by this section. Such distribution shall be made not later than 60 days after the first day of a fiscal year from duties assessed during the preceding fiscal year.

''(d) PARTIES ELIGIBLE FOR DISTRIBUTION OF ANTIDUMPING AND COUNTERVAILING DUTIES ASSESSED.—

''(1) LIST OF WORKERS AND AFFECTED DOMESTIC PRODUCERS.—The Commission shall forward to the Commissioner within 60 days after the effective date of this section in the case of orders or findings in effect on such effective date, or in any other case, within 60 days after the date an antidumping or countervailing duty order or finding is issued, a list of petitioners and persons with respect to each order and finding and a list of persons that indicate support of the petition by letter or through questionnaire response. In those cases in which a determination of injury was not required or the Commission's records do not permit an identification of those in support of a petition, the Commission shall consult with the administering authority to determine the identity of the petitioner and those domestic parties who have entered appearances during administrative reviews conducted by the administering authority under section 751.

''(2) PUBLICATION OF LIST; CERTIFICATION.—The Commissioner shall publish in the Federal Register at least 30 days before the distribution of a continued dumping and subsidy offset, a notice of intention to distribute the offset and the list of workers and affected domestic producers potentially eligible for the distribution based on the list obtained from the Commission under paragraph (1). The Commissioner shall request a certification from each potentially eligible affected domestic producer—

''(A) that the producer desires to receive a distribution;

''(B) that the producer is eligible to receive the distribution as an affected domestic producer; and

''(C) the qualifying expenditures incurred by the producer since the issuance of the order or finding for which distribution under this section has not previously been made.

''(3) DISTRIBUTION OF FUNDS.—The Commissioner in consultation with the Secretary of Labor shall distribute all funds (including all interest earned on the funds) from assessed duties received in the preceding fiscal year to workers and to the affected domestic producers based on the certifications described in paragraph (2). The distributions shall be made on a pro rata basis based on new and remaining qualifying expenditures.

''(e) SPECIAL ACCOUNTS.—

''(1) ESTABLISHMENTS.—Within 14 days after the effective date of this section, with respect to antidumping duty orders and findings and countervailing duty orders in effect on the effective date of this section, and within 14 days after the date an antidumping duty order or finding or countervailing duty order issued after the effective date takes effect, the Commissioner shall establish in the Treasury of the United States a special account with respect to each such order or finding.

''(2) DEPOSITS INTO ACCOUNTS.—The Commissioner shall deposit into the special accounts, all antidumping or countervailing duties (including interest earned on such duties) that are assessed after the effective date of this section under the antidumping order or finding or the countervailing duty order with respect to which the account was established.

''(3) TIME AND MANNER OF DISTRIBUTIONS.—Consistent with the requirements of subsections (c) and (d), the Commissioner shall by regulation prescribe the time and manner in which distribution of the funds in a special account shall made.

''(4) TERMINATION.—A special account shall terminate after—

''(A) the order or finding with respect to which the account was established has terminated;

''(B) all entries relating to the order or finding are liquidated and duties assessed collected;

''(C) the Commissioner has provided notice and a final opportunity to obtain distribution pursuant to subsection (c); and

''(D) 90 days has elapsed from the date of the notice described in subparagraph (C).

Amounts not claimed within 90 days of the date of the notice described in subparagraph (C), shall be deposited into the general fund of the Treasury.''.

(b) CONFORMING AMENDMENT.—The table of contents for title VII of the Tariff Act of 1930 is amended by inserting the following new item after the item relating to section 753:

''Sec. 754. Continued dumping and subsidy offset.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to all antidumping and countervailing duty assessments made on or after October 1, 1996.

TORRICELLI AMENDMENTS NOS. 2348–2349

(Ordered to lie on the table.)

Mr. TORRICELLI submitted two amendments intended to be proposed by him to the bill, H.R. 434, supra; as follows:

AMENDMENT NO. 2348

At the appropriate place, insert the following new section:

SEC. ___. MODIFICATIONS TO CASUALTY LOSS DEDUCTION FOR 1999 TAXABLE YEAR.

(a) LOWER ADJUSTED GROSS INCOME THRESHOLD.—Paragraph (2) of section 165(h) of the Internal Revenue Code of 1986 (relating to treatment of casualty gains and losses) is amended—

(1) by striking ''10 percent of the adjusted gross income of the individual'' in subparagraph (A)(ii) and inserting ''5 percent of the adjusted gross income of the individual (determined without regard to any deduction allowable under subsection (c)(3))'', and

(2) by striking ''10 PERCENT'' in the heading and inserting ''5 PERCENT''.

(b) ABOVE-THE-LINE DEDUCTION.—Section 62(a) of the Internal Revenue Code of 1986 (defining adjusted gross income) is amended by inserting after paragraph (17) the following:

''(18) CERTAIN DISASTER LOSSES.—The deduction allowed by section 165(c)(3).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to losses sustained in taxable years beginning in 1999.

AMENDMENT NO. 2349

At the appropriate place, insert the following new section:

SEC. ___. TREATMENT OF CERTAIN STATE AND LOCAL DISASTER RELIEF.

(a) IN GENERAL.—With respect to a major disaster described in subsection (b), no person, business concern, or other entity shall be denied financial assistance (or required to repay financial assistance) under section 312 of the Robert T. Stafford Disaster Relief and Assistance Act (42 U.S.C. 5155) as a result of the receipt of financial assistance from a State or local government with respect to such disaster, except that such assistance may be denied (or required to be repaid) to the extent that the total assistance from all sources to the person, business concern, or other entity, exceeds the loss suffered by the person, business concern, or other entity.

(b) APPLICABILITY.—This section shall apply only to major disasters occurring after September 14, 1999, and before September 20, 1999.

DURBIN (AND SCHUMER) AMENDMENTS NOS. 2350–2351

(Ordered to lie on the table.)

Mr. DURBIN (for himself, and Mr. SCHUMER) submitted two amendments intended to be proposed by them to the bill, H.R. 434, supra; as follows:

AMENDMENT NO. 2350

On page ___, line ___, strike ''2 years'' and insert ''5 years''.

AMENDMENT NO. 2351

At the appropriate place, insert the following new section:

SEC. ___. LIMITATIONS ON PREFERENTIAL TREATMENT.

The President may not exercise the authority to extend preferential tariff treatment to any country in sub-Saharan Africa provided for in this Act, unless the President certifies to Congress, using existing authority, that the President does not need additional authority to save American jobs in the garment, textile, and wool growing industries. For purposes of the preceding sentence, ''additional authority'' includes authority to implement preferential tariff treatment for fabrics of carded or combed wool, certified by the importer as intended for use in making suits, suit-type jackets, or trousers provided for in subheading 5111.11.70, 5111.19.60, 5112.11.20, or 5112.19.90 of the Harmonized Tariff Schedule of the United States.

DURBIN AMENDMENTS NOS. 2352–2353

(Ordered to lie on the table.)

Mr. DURBIN submitted two amendments intended to be proposed by him to the bill, H.R. 434, supra; as follows:

AMENDMENT NO. 2352

At the end of the bill, insert the following new title:

TITLE ___—STEEL IMPORT NOTIFICATION

SEC. ___01. STEEL IMPORT NOTIFICATION AND MONITORING PROGRAM.

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of Commerce, in consultation with the Secretary of the Treasury, shall establish and implement a steel import notification and monitoring program. The program shall include a requirement that any person importing a product classified under chapter 72 or 73 of the Harmonized Tariff Schedule of the United States obtain an import notification certificate before such products are entered into the United States.

(b) STEEL IMPORT NOTIFICATION CERTIFICATES.—

(1) IN GENERAL.—In order to obtain a steel import notification certificate, an importer shall submit to the Secretary of Commerce an application containing—

(A) the importer's name and address;

(B) the name and address of the supplier of the goods to be imported;

(C) the name and address of the producer of the goods to be imported;

(D) the country of origin of the goods;

(E) the country from which the goods are to be imported;

(F) the United States Customs port of entry where the goods will be entered;

(G) the expected date of entry of the goods into the United States;

(H) a description of the goods, including the classification of such goods under the Harmonized Tariff Schedule of the United States;

(I) the quantity (in kilograms and net tons) of the goods to be imported;

(J) the cost insurance freight (CIF) and free alongside ship (FAS) values of the goods to be entered;

(K) whether the goods are being entered for consumption or for entry into a bonded warehouse or foreign trade zone;

(L) a certification that the information furnished in the certificate application is correct; and

(M) any other information the Secretary of Commerce determines to be necessary and appropriate.

(2) ENTRY INTO CUSTOMS TERRITORY.—In the case of merchandise classified under chapter 72 or 73 of the Harmonized Tariff Schedule of the United States that is initially entered into a bonded warehouse or foreign trade zone, a steel import notification certificate shall be required before the merchandise is entered into the customs territory of the United States.

(3) ISSUANCE OF STEEL IMPORT NOTIFICATION CERTIFICATE.—The Secretary of Commerce shall issue a steel import notification certificate to any person who files an application that meets the requirements of this section. Such certificate shall be valid for a period of 30 days from the date of issuance.

(c) STATISTICAL INFORMATION.—

(1) IN GENERAL.—The Secretary of Commerce shall compile and publish on a weekly basis information described in paragraph (2).

(2) INFORMATION DESCRIBED.—Information described in this paragraph means information obtained from steel import notification certificate applications concerning steel imported into the United States and includes with respect to such imports the Harmonized Tariff Schedule of the United States classification (to the tenth digit), the country of origin, the port of entry, quantity, value of steel imported, and whether the imports are entered for consumption or are entered into a bonded warehouse or foreign trade zone. Such information shall also be compiled in aggregate form and made publicly available by the Secretary of Commerce on a weekly basis by public posting through an Internet website. The information provided under this section shall be in addition to any information otherwise required by law.

(d) FEES.—The Secretary of Commerce may prescribe reasonable fees and charges to defray the costs of carrying out the provisions of this section, including a fee for issuing a certificate under this section.

(e) SINGLE PRODUCER AND EXPORTER COUNTRIES.—Notwithstanding any other provision of law, the Secretary of Commerce shall make publicly available all information required to be released pursuant to subsection (c), including information obtained regarding imports from a foreign producer or exporter that is the only producer or exporter of goods subject to this section from a foreign country.

(f) REGULATIONS.—The Secretary of Commerce may prescribe such rules and regulations relating to the steel import notification and monitoring program as may be necessary to carry out the provisions of this section.

AMENDMENT NO. 2353

At the end of the bill, insert the following new title:

TITLE ___—IMPORT SURGES

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Fair Trade Law Enhancement Act of 1999''.

Subtitle A—Safeguard Amendments

SEC. ___11. CAUSATION STANDARD.

(a) CHANGE IN CAUSATION STANDARD.—(1) Section 201(a) of the Trade Act of 1974 (19 U.S.C. 2251(a)) is amended by striking ''substantial''.

(2) Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended—

(A) in subsection (b)(1)(A), by striking ''substantial'';

(B) by amending subsection (b)(1)(B) to read as follows:

''(B) Imports are a cause of serious injury, or the threat thereof, when a causal link can be established between imports and the domestic industry's injury.'';

(C) in subsection (c)(1)(C), by striking ''substantial cause'' and inserting ''the causal link'';

(D) in subsection (c)(3), by striking ''substantial''; and

(E) in subsection (d)(2)(A)(i), by striking ''substantial''.

(b) CONFORMING AMENDMENT.—Section 264(c) of the Trade Act of 1974 (19 U.S.C. 2354(c)) is amended by striking ''substantial''.

SEC. ___12. CAPTIVE PRODUCTION.

Section 202(c)(4) of the Trade Act of 1974 (19 U.S.C. 2252(c)(4)) is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(3) by adding after subparagraph (C) the following:

''(D) shall, in cases in which domestic producers transfer internally, including to related parties, significant production of the like or directly competitive article for the production of a downstream article and sell significant production of the like or directly competitive article in the merchant market, focus on the merchant market when determining the domestic industry's market share and other relevant factors.

For purposes of this section, a party is related to another party if the first party controls, is controlled by, or is under common control with, that other party.''.

SEC. ___13. PRESUMPTION OF THREAT AND OF CRITICAL CIRCUMSTANCES.

Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended—

(1) in subsection (c)(1), by inserting at the end the following flush sentences:

''Notwithstanding subparagraph (B), if the Commission finds that, at any time during the 12-month period preceding the initiation of an investigation, there has been a rapid decline in domestic prices for the like or directly competitive article and a rapid increase in imports of the imported article, the Commission shall apply a rebuttable presumption that the domestic industry is threatened with serious injury by reason of such imports. For purposes of the preceding sentence, the term 'rapid' means a change of 10 percent or more from one calendar quarter to the next, and the price decline and the increase in imports need not be contemporaneous. In any case in which this presumption does not apply, or in which it applies but is rebutted, the Commission shall conduct a threat of serious injury analysis as if no such presumption applied.''; and

(2) in subsection (d)(2)(A), by adding at the end the following flush sentences:

''If the Commission finds that, at any time during the 12-month period preceding the initiation of an investigation, there has been a rapid decline in domestic prices for the like or directly competitive article and a rapid increase in imports of the imported article, the Commission shall apply a rebuttable presumption that the criteria in clauses (i) and (ii) are met. For purposes of this paragraph, the term 'rapid' means a change of 10 percent or more from one calendar quarter to the next, and the price decline and the increase in imports need not be contemporaneous. In any case in which this presumption does not apply, or in which it applies but is rebutted, the Commission shall conduct a critical circumstances analysis as if no such presumption applied.''.

SEC. ___14. INJURY FACTORS.

Section 202(c)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2252(c)(1)(A)) is amended to read as follows:

''(A) with respect to serious injury—

''(i) the rate and amount of the increase in imports of the product concerned in absolute and relative terms;

''(ii) the share of the domestic market taken by increased imports;

''(iii) changes in the level of sales;

''(iv) production;

''(v) productivity;
''(vi) capacity utilization;
''(vii) profits and losses; and
''(viii) employment;''.

Subtitle B—Amendments to Title VII of the Tariff Act of 1930

SEC. ___21. CAPTIVE PRODUCTION.

Section 771(7)(C)(iv) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iv)) is amended to read as follows:

''(iv) CAPTIVE PRODUCTION.—If domestic producers transfer internally, including to affiliated persons as defined in section 771(33), significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, then the Commission, in determining market share and the factors affecting financial performance set forth in clause (iii), shall focus on the merchant market.''.

SEC. ___22. CUMULATION.

Section 771(7)(G)(i) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(G)(i)) is amended to read as follows:

''(i) IN GENERAL.—For purposes of clauses (i) and (ii) of subparagraph (C), and subject to clause (ii), the Commission shall cumulatively assess the volume and effect of imports of the subject merchandise from all countries subject to petitions filed under section 702(b) or 732(b), or subject to investigations initiated under 702(a) or 732(a), if such petitions were filed, or such investigations were initiated, within 90 days before the date on which the Commission is required to make its final injury determination, and if such imports compete with each other and with the domestic like products in the United States market.''.

SEC. ___23. CAUSAL RELATIONSHIP BETWEEN IMPORTS AND INJURY.

Section 771(7)(C) of the Tariff act of 1930 (19 U.S.C. 1677(7)(C)), as amended by section ___21, is amended by adding at the end the following new clause:

''(v) IMPORTS; BASIS FOR AFFIRMATIVE DETERMINATION.—The Commission shall not weigh against other factors the injury caused by imports found by the administering authority to be dumped or provided a countervailable subsidy. Rather, if the imports are a contributing cause of injury to the domestic industry, the Commission shall make an affirmative determination, unless the injury caused by the imports is inconsequential, immaterial, or unimportant.''.

SEC. ___24. PRESUMPTION OF THREAT OF MATERIAL INJURY.

Section 771(7)(F) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(F)) is amended by redesignating clause (iii) as clause (iv) and inserting after clause (ii) the following new clause:

''(iii) PRESUMPTION OF THREAT OF MATERIAL INJURY.—Notwithstanding clauses (i) and (ii), if the Commission finds that, at any time during the 12-month period preceding the initiation of an investigation, there has been a rapid decline in domestic prices for the domestic like product and a rapid increase in imports of the subject merchandise, the Commission shall apply a rebuttable presumption that the domestic industry is threatened with material injury by reason of such imports. For purposes of this clause, the term 'rapid' means a change of 10 percent or more from one calendar quarter to the next, and the price decline and the increase in imports need not be contemporaneous. In any case in which this presumption does not apply, or in which it applies but is rebutted, the Commission shall conduct a threat of injury analysis as if no such presumption applied.''.

SEC. ___25. PRESUMPTION OF CRITICAL CIRCUMSTANCES.

(a) INITIAL FINDING BY COMMISSION.—

(1) COUNTERVAILABLE SUBSIDY.—Section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) is amended by adding at the end the following:

''(3) DETERMINATION OF RAPID DECLINE.—Any preliminary determination by the Commission under this subsection shall include a determination of whether at any time during the 12-month period preceding the initiation of the investigation there has been a rapid decline in domestic prices for the domestic like product. For purposes of this paragraph, the term 'rapid' means a change of 10 percent or more from one calendar quarter to the next.''.

(2) DUMPING.—Section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) is amended by adding at the end the following:

''(3) DETERMINATION OF RAPID DECLINE.—Any preliminary determination by the Commission under this subsection shall include a determination of whether at any time during the 12-month period preceding the initiation of the investigation there has been a rapid decline in domestic prices for the domestic like product. For purposes of this paragraph, the term 'rapid' means a change of 10 percent or more from one calendar quarter to the next.''.

(b) COUNTERVAILING DUTY CASES.—

(1) PRELIMINARY DETERMINATIONS BY ADMINISTERING AUTHORITY.—Section 703(e) of the Tariff Act of 1930 (19 U.S.C. 1671b(e)) is amended by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following:

''(2) PRESUMPTION OF CRITICAL CIRCUMSTANCES.—Notwithstanding paragraph (1), if the Commission has found under subsection (a)(3) a rapid decline in domestic prices during a 12-month period and the administering authority finds that a rapid increase in imports of the subject merchandise occurred during the same 12-month period, the administering authority shall apply a rebuttable presumption that critical circumstances exist with respect to such imports. For purposes of this paragraph, the term 'rapid' means a change of 10 percent or more from one calendar quarter to the next, and the price decline and the increase in imports need not be contemporaneous. In any case in which this presumption does not apply, or in which it applies but is rebutted, the administering authority shall conduct a critical circumstances analysis as if no such presumption applied.''.

(2) FINAL DETERMINATIONS BY ADMINISTERING AUTHORITY.—Section 705(a) of the Tariff Act of 1930 (19 U.S.C. 1671d(a)) is amended by redesignating paragraph (3) as paragraph (4) and inserting after paragraph (2) the following new paragraph:

''(3) CRITICAL CIRCUMSTANCES DETERMINATIONS; SPECIAL RULE.—Notwithstanding paragraph (2), if the Commission has found under section 703(a)(3) a rapid decline in domestic prices during a 12-month period, and the administering authority finds that a rapid increase in imports of the subject merchandise occurred during the same 12-month period, the administering authority shall apply a rebuttable presumption that critical circumstances exist with respect to such imports. For purposes of this paragraph, the term 'rapid' means a change of 10 percent or more from one calendar quarter to the next, and the price decline and the increase in imports need not be contemporaneous. In any case in which this presumption does not apply, or in which it applies but is rebutted, the administering authority shall conduct a critical circumstances analysis as if no such presumption applied.''.

(3) FINAL DETERMINATIONS BY COMMISSION.—Section 705(b)(4)(A) of the Tariff Act of 1930 (19 U.S.C. 1671d(b)(4)(A)) is amended by inserting after clause (ii) the following new clause:

''(iii) PRESUMPTION THAT STANDARD FOR RETROACTIVE APPLICATION IS MET.—Notwithstanding clause (ii), if the Commission determines that, at any time during the 12-month period since the initiation of the investigation, there has been a rapid decline in domestic prices for the domestic like product and a rapid increase in imports of the subject merchandise, the Commission shall apply a rebuttable presumption that the imports subject to the affirmative determination under subsection (a)(2) are likely to undermine seriously the remedial effect of the countervailing duty order to be issued under section 706. For purposes of this clause, the term 'rapid' means a change of 10 percent or more from one calendar quarter to the next, and the price decline and the increase in imports need not be contemporaneous. In any case in which this presumption does not apply, or in which it applies but is rebutted, the Commission shall conduct a critical circumstances analysis as if no such presumption applied.''.

(c) ANTIDUMPING CASES.—

(1) PRELIMINARY DETERMINATIONS BY ADMINISTERING AUTHORITY.—Section 733(e) of the Tariff Act of 1930 (19 U.S.C. 1673b(e)) is amended by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

''(2) PRESUMPTION OF CRITICAL CIRCUMSTANCES.—Notwithstanding paragraph (1), if the Commission has found under subsection (a)(3) a rapid decline in domestic prices during a 12-month period and the administering authority finds that a rapid increase in imports of the subject merchandise occurred during the same 12-month period, the administering authority shall apply a rebuttable presumption that critical circumstances exist with respect to such imports. For purposes of this paragraph, the term 'rapid' means a change of 10 percent or more from one calendar quarter to the next, and the price decline and the increase in imports need not be contemporaneous. In any case in which this presumption does not apply, or in which it applies but is rebutted, the administering authority shall conduct a critical circumstances analysis as if no such presumption applied.''.

(2) FINAL DETERMINATIONS BY ADMINISTERING AUTHORITY.—Section 735(a) of the Tariff Act of 1930 (19 U.S.C. 1673d(a)) is amended by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following:

''(4) CRITICAL CIRCUMSTANCES DETERMINATIONS; SPECIAL RULE.—Notwithstanding paragraph (3), if the Commission has found under section 733(a)(3) a rapid decline in domestic prices during a 12-month period, and the administering authority finds that a rapid increase in imports of the subject merchandise occurred during the same 12-month period, the administering authority shall apply a rebuttable presumption that critical circumstances exist with respect to such imports. For purposes of this paragraph, the term 'rapid' means a change of 10 percent or more from one calendar quarter to the next, and the price decline and the increase in imports need not be contemporaneous. In any case in which this presumption does not apply, or in which it applies but is rebutted, the administering authority shall conduct a critical circumstances analysis as if no such presumption applied.''.

(3) FINAL DETERMINATIONS BY COMMISSION.—Section 735(b)(4)(A) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)(4)(A)) is amended by adding after clause (ii) the following:

''(iii) PRESUMPTION THAT STANDARD FOR RETROACTIVE APPLICATION IS MET.—Notwithstanding clause (ii), if the Commission determines that, at any time during the 12-month period since the initiation of the investigation, there has been a rapid decline in domestic prices for the domestic like product and a rapid increase in imports of the subject merchandise, the Commission shall apply a rebuttable presumption that the imports subject to the affirmative determination under subsection (a)(3) are likely to undermine seriously the remedial effect of the antidumping duty order to be issued under section 736. For purposes of this clause, the term 'rapid' means a change of 10 percent or more from one calendar quarter to the next, and the price decline and the increase in imports need not be contemporaneous. In any case in which this presumption does not apply, or in which it applies but is rebutted, the Commission shall conduct a critical circumstances analysis as if no such presumption applied.''.

SEC. ___26. PREVENTION OF CIRCUMVENTION.

Section 781(c) of the Tariff Act of 1930 (19 U.S.C. 1677j(c)) is amended to read as follows:

''(c) MINOR ALTERATIONS OF MERCHANDISE.—The class or kind of merchandise subject to—

''(1) an investigation under this subtitle,

''(2) an antidumping duty order issued under section 736,

''(3) a finding issued under the Antidumping Act, 1921, or

''(4) a countervailing duty order issued under section 706 or section 303,

shall include articles whose form or appearance has been altered in minor respects by changes in production process (including raw agricultural products that have undergone minor processing), regardless of any change in tariff classification and regardless of whether the merchandise description used in the investigation, order, or finding would otherwise exclude the altered article.''.

SEC. ___27. DOMESTIC INDUSTRY SUPPORT FOR SUSPENSION AGREEMENTS.

(a) COUNTERVAILING DUTY CASES.—Section 704(d) of the Tariff Act of 1930 (19 U.S.C. 1671c(d)(1)) is amended—

(1) in paragraph (1)—

(A) by striking ''and'' at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B), and inserting '', and''; and

(C) by inserting after subparagraph (B) the following new subparagraph:

''(C) the domestic producers or workers who support the agreement account for more than 50 percent of the production of the domestic like product produced by those expressing an opinion on the agreement.''; and

(2) by adding at the end the following new paragraph:

''(4) SPECIAL RULES RELATING TO DOMESTIC PRODUCER AND WORKER SUPPORT.—

''(A) DETERMINATION OF INDUSTRY SUPPORT.—

''(i) CERTAIN POSITIONS DISREGARDED.—

''(I) PRODUCERS RELATED TO FOREIGN PRODUCERS.—In determining industry support under paragraph (1)(C), the administering authority shall disregard the position of domestic producers who support the agreement, if such producers are related to foreign producers, as defined in section 771(4)(B)(ii), unless such domestic producers demonstrate that their interests as domestic producers would be adversely affected if the agreement is not accepted.

''(II) PRODUCERS WHO ARE IMPORTERS.—The administering authority may disregard the position of domestic producers of a domestic like product who are importers of the subject merchandise.

''(ii) SPECIAL RULE FOR REGIONAL INDUSTRIES.—If the petition which led to the proposed suspension agreement alleges that the industry is a regional industry, the administering authority shall determine whether the agreement is supported by or on behalf of the industry by applying paragraph (1)(C) on the basis of production in the region.

''(B) NATIONAL SECURITY EXCEPTION.—In any case in which the administering authority determines that the domestic producers or workers who support the agreement do not account for more than 50 percent of the production of the domestic like product produced by those expressing an opinion on the agreement, the administering authority may accept the agreement, notwithstanding the provisions of paragraph (1)(C), if the President determines and certifies to the administering authority that failure to accept the agreement would undermine the national security interests of the United States or pose an extraordinary threat to the economy of the United States.''.

(b) ANTIDUMPING DUTY CASES.—Section 734(d) of the Tariff Act of 1930 (19 U.S.C. 1673c(d)) is amended—

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

(2) by striking ''The administering authority'' and inserting:

''(1) IN GENERAL.—The administering authority'';

(3) by striking ''and'' at the end of subparagraph (A), as redesignated;

(4) by striking the period at the end of subparagraph (B), as redesignated, and inserting '', and'';

(5) by inserting after subparagraph (B), as redesignated, the following new subparagraph:

''(C) the domestic producers or workers who support the agreement account for more than 50 percent of the production of the domestic like product produced by those expressing an opinion on the agreement.''; and

(6) by adding at the end the following new paragraph:

''(2) SPECIAL RULES RELATING TO DOMESTIC PRODUCER AND WORKER SUPPORT.—

''(A) DETERMINATION OF INDUSTRY SUPPORT.—

''(i) CERTAIN POSITIONS DISREGARDED.—

''(I) PRODUCERS RELATED TO FOREIGN PRODUCERS.—In determining domestic producer or worker support for purposes of paragraph (1)(C), the administering authority shall disregard the position of domestic producers who support the agreement, if such producers are related to foreign producers, as defined in section 771(4)(B)(ii), unless such domestic producers demonstrate that their interests as domestic producers would be adversely affected if the agreement is not accepted.

''(II) PRODUCERS WHO ARE IMPORTERS.—The administering authority may disregard the position of domestic producers of a domestic like product who are importers of the subject merchandise.

''(ii) SPECIAL RULE FOR REGIONAL INDUSTRIES.—If the petition which led to the proposed suspension agreement alleges that the industry is a regional industry, the administering authority shall determine whether the agreement is supported by or on behalf of the industry by applying paragraph (1)(C) on the basis of production in the region.

''(B) NATIONAL SECURITY EXCEPTION.—In any case in which the administering authority determines that the domestic producers or workers who support the agreement do not account for more than 50 percent of the production of the domestic like product produced by those expressing an opinion on the agreement, the administering authority may accept the agreement, notwithstanding the provisions of paragraph (1)(C), if the President determines and certifies to the administering authority that failure to accept the agreement would undermine the national security interests of the United States or pose an extraordinary threat to the economy of the United States.''.

SEC. ___28. IMPACT OF SAFEGUARD DETERMINATIONS ON 5-YEAR REVIEW DETERMINATIONS.

Section 752(a) of the Tariff Act of 1930 (19 U.S.C. 1675a(a)) is amended by adding at the end the following new paragraph:

''(9) IMPACT OF PRIOR SERIOUS INJURY DETERMINATIONS.—

''(A) AFFIRMATIVE SERIOUS INJURY DETERMINATIONS.—If the Commission has recently determined, under chapter 1 of title II of the Trade Act of 1974, that the domestic industry producing particular merchandise suffers from or is threatened with serious injury by reason of increased imports, the Commission shall apply a rebuttable presumption that material injury is ongoing for purposes of any 5-year review under section 751(c) involving the same merchandise. The Commission shall not treat the imposition of measures under chapter 1 of title II of the Trade Act of 1974 resulting from such an affirmative determination as reducing the likelihood of continuation or recurrence of material injury for purposes of the 5-year review. For purposes of this subparagraph, the term 'recently' means within the 48-month period ending on the date on which the 5-year review is initiated.

''(B) NEGATIVE SERIOUS INJURY DETERMINATIONS.—If the Commission has previously determined, under chapter 1 of title II of the Trade Act of 1974, that a domestic industry is not suffering from or threatened with serious injury by reason of increased imports, the Commission shall treat that determination as having no impact on the Commission's determination in a subsequent 5-year review under section 751(c) involving the same merchandise as to whether material injury is likely to continue or recur if an antidumping or countervailing duty order is lifted.''.

SEC. ___29. REIMBURSEMENT OF DUTIES.

Section 772(d) of the Tariff Act of 1930 (19 U.S.C. 1677a(d)) is amended—

(1) by striking ''and'' at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

''(4) if the importer is the producer or exporter, or the importer and the producer or exporter are affiliated persons, an amount equal to the dumping margin calculated under section 771(35)(A), unless the producer or exporter is able to demonstrate that the importer was in no way reimbursed for any antidumping duties paid; and

''(5) if the importer is the producer or exporter, or the importer and the producer or exporter are affiliated persons, an amount equal to the net countervailable subsidy calculated under section 771(6), unless the producer or exporter is able to demonstrate that the importer was in no way reimbursed for any antidumping duties paid.''.

SEC. ___30. TRANSACTIONS BETWEEN AFFILIATED PARTIES.

Section 773(f) of the Tariff Act of 1930 (19 U.S.C. 1677b(f)) is amended—

(1) in paragraph (2), by striking ''A transaction'' and inserting ''Regardless of whether the administering authority determines to treat affiliated persons as a single entity for other purposes, a transaction''; and

(2) in paragraph (3), by striking ''If'' and inserting ''Regardless of whether the administering authority determines to treat affiliated persons as a single entity for other purposes, if''.

SEC. ___31. PERISHABLE AGRICULTURAL PRODUCTS.

(a) DEFINITION OF INDUSTRIES.—Section 771(4)(A) of the Tariff Act of 1930 (19 U.S.C. 1677(4)(A)) is amended by adding at the end the following: ''If the Commission determines that an agricultural product has a short shelf life and is a perishable product, the Commission shall treat the producers of the product in a defined period or season as the domestic industry. If the subheading under the Harmonized Tariff Schedule of the United States for an agricultural product has a 6- or 8-digit classification based on the period of time during the calendar year in which the product is harvested or imported, such periods of time constitute a defined period or season for purposes of this paragraph.''.

(b) DETERMINATION OF INJURY.—Section 771(7)(D) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(D)) is amended by adding at the end the following new clauses:

''(iii) In the case of an agricultural industry involving a perishable product with a short shelf life, if a request for seasonal evaluation has been made by the petitioners, the Commission shall consider the factors in subparagraph (C) on a seasonal basis during the period identified as relevant.

''(iv) In the case of agricultural products, partially picked or unpicked crops and abandoned acreage may be considered in lieu of other measures of capacity and capacity utilization.

''(v) The impact of other factors, such as weather, on agricultural production and producers shall not be weighed against the contribution of the imported subject merchandise to the condition of the domestic industry.''.

SEC. ___32. FULL RECOGNITION OF SUBSIDY CONFERRED THROUGH PROVISION OF GOODS AND SERVICES AND PURCHASE OF GOODS.

Section 771(5)(E) of the Tariff Act of 1930 (19 U.S.C. 1677(5)(E)) is amended by adding at the end the following: ''If transactions in the country which is the subject of the investigation or review do not reflect market conditions due to government action associated with provision of the goods or service or purchase of the goods, determination of the adequacy of remuneration shall be through comparison with the most comparable market price elsewhere in the world.''.

Subtitle C—Steel Import Notification

SEC. ___41. STEEL IMPORT NOTIFICATION AND MONITORING PROGRAM.

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of Commerce, in consultation with the Secretary of the Treasury, shall establish and implement a steel import notification and monitoring program. The program shall include a requirement that any person importing a product classified under chapter 72 or 73 of the Harmonized Tariff Schedule of the United States obtain an import notification certificate before such products are entered into the United States.

(b) STEEL IMPORT NOTIFICATION CERTIFICATES.—

(1) IN GENERAL.—In order to obtain a steel import notification certificate, an importer shall submit to the Secretary of Commerce an application containing—

(A) the importer's name and address;

(B) the name and address of the supplier of the goods to be imported;

(C) the name and address of the producer of the goods to be imported;

(D) the country of origin of the goods;

(E) the country from which the goods are to be imported;

(F) the United States Customs port of entry where the goods will be entered;

(G) the expected date of entry of the goods into the United States;

(H) a description of the goods, including the classification of such goods under the Harmonized Tariff Schedule of the United States;

(I) the quantity (in kilograms and net tons) of the goods to be imported;

(J) the cost insurance freight (CIF) and free alongside ship (FAS) values of the goods to be entered;

(K) whether the goods are being entered for consumption or for entry into a bonded warehouse or foreign trade zone;

(L) a certification that the information furnished in the certificate application is correct; and

(M) any other information the Secretary of Commerce determines to be necessary and appropriate.

(2) ENTRY INTO CUSTOMS TERRITORY.—In the case of merchandise classified under chapter 72 or 73 of the Harmonized Tariff Schedule of the United States that is initially entered into a bonded warehouse or foreign trade zone, a steel import notification certificate shall be required before the merchandise is entered into the customs territory of the United States.

(3) ISSUANCE OF STEEL IMPORT NOTIFICATION CERTIFICATE.—The Secretary of Commerce shall issue a steel import notification certificate to any person who files an application that meets the requirements of this section. Such certificate shall be valid for a period of 30 days from the date of issuance.

(c) STATISTICAL INFORMATION.—

(1) IN GENERAL.—The Secretary of Commerce shall compile and publish on a weekly basis information described in paragraph (2).

(2) INFORMATION DESCRIBED.—Information described in this paragraph means information obtained from steel import notification certificate applications concerning steel imported into the United States and includes with respect to such imports the Harmonized Tariff Schedule of the United States classification (to the tenth digit), the country of origin, the port of entry, quantity, value of steel imported, and whether the imports are entered for consumption or are entered into a bonded warehouse or foreign trade zone. Such information shall also be compiled in aggregate form and made publicly available by the Secretary of Commerce on a weekly basis by public posting through an Internet website. The information provided under this section shall be in addition to any information otherwise required by law.

(d) FEES.—The Secretary of Commerce may prescribe reasonable fees and charges to defray the costs of carrying out the provisions of this section, including a fee for issuing a certificate under this section.

(e) SINGLE PRODUCER AND EXPORTER COUNTRIES.—Notwithstanding any other provision of law, the Secretary of Commerce shall make publicly available all information required to be released pursuant to subsection (c), including information obtained regarding imports from a foreign producer or exporter that is the only producer or exporter of goods subject to this section from a foreign country.

(f) REGULATIONS.—The Secretary of Commerce may prescribe such rules and regulations relating to the steel import notification and monitoring program as may be necessary to carry out the provisions of this section.

LEVIN AMENDMENT NO. 2354

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

The amendment in the nature of a substitute is amended in subtitle B of Title II thereof as follows:

At page 36 between lines 19 and 20 insert the following:

''(VI) undertake its obligations it has already undertaken in treaties and conventions it has freely entered into relative to child labor, collective bargaining, use of forced or coerced labor, occupational health and safety and other worker rights.''

FEINSTEIN (AND FEINGOLD) AMENDMENT NO. 2355

(Ordered to lie on the table.)

Mrs. FEINSTEIN (for herself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra; as follows:

At the end of title I, insert the following:

SEC. ___. INTELLECTUAL PROPERTY AND COMPETITION LAWS AND POLICIES DESIGNED TO PROMOTE ACCESS TO PHARMACEUTICALS AND OTHER MEDICAL TECHNOLOGIES.

(a) FINDINGS.—Congress finds that—

(1) since the onset of the worldwide HIV/AIDS epidemic, approximately 34,000,000 people living in sub-Saharan Africa have been infected with the disease;

(2) of those infected, approximately 11,500,000 have died; and

(3) the deaths represent 83 percent of the total HIV/AIDS-related deaths worldwide.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) it is in the interest of the United States to take all necessary steps to prevent further spread of infectious disease, particularly HIV/AIDS; and

(2) individual countries should have the ability to determine the availability of pharmaceuticals and health care for their citizens in general, and particularly with respect to the HIV/AIDS epidemic.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated or otherwise made available to any department or agency of the United States may not be obligated or expended to seek, through negotiation or otherwise, the revocation or revision of any intellectual property or competition law or policy of a beneficiary developing country or beneficiary sub-Saharan African country if the law or policy is designed to promote access to pharmaceuticals or other medical technologies and the law or policy, as the case may be, complies with the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act. For purposes of the preceding sentence, the terms ''beneficiary developing country'' and ''beneficiary sub-Saharan African country'' mean any country with respect to which there is in effect an Executive order or Presidential proclamation by the President designating such country as a beneficiary developing country for purposes of title V of the Trade Act of 1974 or the African Growth and Opportunity Act.

FEINSTEIN AMENDMENT NO. 2356

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill, H.R. 434, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. ___. TAX CREDIT FOR DOMESTIC GARMENT MANUFACTURERS.

(a) IN GENERAL.—Subpart F of part IV of subchapter A of chapter 1 of the Internal

Revenue Code of 1986 (relating to rules for computing work opportunity credit) is amended by inserting after section 51A the following new section:

"SEC. 51B. GARMENT MANUFACTURER HIRING CREDIT.

''(a) DETERMINATION OF AMOUNT.—For purposes of section 38, the amount of garment manufacturer hiring credit determined under this section for the taxable year shall be equal to—

''(1) 30 percent of the qualified first-year wages for such year,

''(2) 35 percent of the qualified second-year wages for such year,

''(3) 40 percent of the qualified third-year wages for such year,

''(4) 45 percent of the qualified fourth-year wages for such year, and

''(5) 50 percent of the qualified employment wages for such year.

''(b) QUALIFIED WAGES DEFINED.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified wages' means the wages paid or incurred by a domestic garment manufacturer or sewn product manufacturer during the taxable year to individuals who are low-income workers for services rendered in the United States.

''(2) QUALIFIED FIRST-YEAR WAGES.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

''(3) QUALIFIED SECOND-YEAR WAGES.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under paragraph (2).

''(4) QUALIFIED THIRD-YEAR WAGES.—The term 'qualified third-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day after the last day of the 1-year period with respect to such individual determined under paragraph (3).

''(5) QUALIFIED FOURTH-YEAR WAGES.—The term 'qualified fourth-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day after the last day of the 1-year period with respect to such individual determined under paragraph (4).

''(6) QUALIFIED EMPLOYMENT WAGES.—The term 'qualified employment wages' means, with respect to any individual, qualified wages attributable to service rendered during any 1-year period beginning after the last day of the 1-year period with respect to such individual determined under paragraph (5).

''(7) WAGES.—The term 'wages' has the meaning given such term by section 51A(b)(5), without regard to subparagraph (C) thereof.

''(c) LOW-INCOME WORKER.—

''(1) IN GENERAL.—The term 'low-income worker' means any individual who is certified by the designated local agency (as defined in section 51(d)(11)) as being at or below the poverty line (as defined by the Office of Management and Budget) for the taxable year ending immediately prior to the hiring date.

''(2) HIRING DATE.—The term 'hiring date' has the meaning given such term by section 51(d).

''(d) CERTAIN RULES TO APPLY.—

''(1) IN GENERAL.—Rules similar to the rules of section 52, and subsections (d)(12), (f), (g), (i) (without regard to paragraph (3) thereof), (j), and (k) of section 51, shall apply for purposes of this section.

''(2) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—References to sections 51 in section 38(b), 280C(a), and 1396(c)(3) shall be treated as including references to this section.

''(e) COORDINATION WITH OTHER PROVISIONS.—If a credit is allowed under this section to an employer with respect to an individual for any taxable year, then—

''(1) for purposes of applying section 51 to such employer, such individual shall not be treated as a member of a targeted group for such taxable year, and

''(2) for purposes of applying section 51A to such employer, such individual shall not be treated as a long-term family assistance recipient for such taxable year.''.

(b) CONFORMING AMENDMENT.—The table of sections for subpart F of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 51A the following:

''Sec. 51B. Garment manufacturer hiring credit.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999, and to individuals who begin work for an employer after such date.

BYRD AMENDMENT NO. 2357

(Ordered to lie on the table.)

Mr. BYRD submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new section:

SEC. ___. SENSE OF CONGRESS; REPORT ON ANTIDUMPING AND COUNTERVAILING DUTY NEGOTIATIONS.

(a) SENSE OF CONGRESS.—Congress recognizes the importance of the new round of international trade negotiations that will be launched at the World Trade Organization (WTO) Ministerial Conference in Seattle, Washington, from November 30 to December 3, 1999.

(b) REPORT.—Not later than February 3, 2000, the United States Trade Representative shall submit a report to Congress regarding discussions on antidumping and countervailing duty laws during the Seattle Ministerial Conference. The report shall include a complete description of such discussions, including proposals made to renegotiate antidumping and countervailing duty laws, the member government making the proposal, and the United States Trade Representative's response to the proposal, with a description as to how the response achieves United States trade goals.

MACK (AND SARBANES) AMENDMENT NO. 2358

(Ordered to lie on the table.)

Mr. MACK (for himself and Mr. SARBANES) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following:

SEC. __. SENSE OF CONGRESS REGARDING COMPREHENSIVE DEBT RELIEF FOR THE WORLD'S POOREST COUNTRIES.

(a) FINDINGS.—Congress makes the following findings:

(1) The burden of external debt has become a major impediment to economic growth and poverty reduction in many of the world's poorest countries.

(2) Until recently, the United States Government and other official creditors sought to address this problem by rescheduling loans and in some cases providing limited debt reduction.

(3) Despite such efforts, the cumulative debt of many of the world's poorest countries continued to grow beyond their capacity to repay.

(4) In 1997, the Group of Seven, the World Bank, and the International Monetary Fund adopted the Heavily Indebted Poor Countries Initiative (HIPC), a commitment by the international community that all multilateral and bilateral creditors, acting in a coordinated and concerted fashion, would reduce poor country debt to a sustainable level.

(5) The HIPC Initiative is currently undergoing reforms to address concerns raised about country conditionality, the amount of debt forgiven, and the allocation of savings realized through the debt forgiveness program to ensure that the Initiative accomplishes the goals of economic growth and poverty alleviation in the world's poorest countries.

(6) Recently, the President requested Congress to provide additional resources for bilateral debt forgiveness and additional United States contributions to the HIPC Trust Fund.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Congress and the President should work together, without undue delay and in concert with the international community, to make comprehensive debt relief available to the world's poorest countries in a manner that promotes economic growth and poverty alleviation;

(2) this program of bilateral and multilateral debt relief should be designed to strengthen and expand the private sector, encourage increased trade and investment, support the development of free markets, and promote broad-scale economic growth in benficiary countries;

(3) this program of debt relief should also support the adoption of policies to alleviate poverty and to ensure that benefits are shared widely among the population, such as through initiatives to advance education, improve health, combat AIDS, and promote clean water and environmental protection;

(4) these debt relief agreements should be designed and implemented in a transparent manner and with the broad participation of the citizenry of the debtor country and should ensure that country circumstances are adequately taken into account;

(5) no country should receive the benefits of debt relief if that country does not cooperate with the United States on terrorism or narcotics enforcement, is a gross violator of the human rights of its citizens, or is engaged in conflict or spends excessively on its military; and

(6) in order to prevent adverse impact on a key industry in many developing countries, the International Monetary Fund must mobilize its own resources for providing debt relief to eligible countries without allowing gold to reach the open market, or otherwise adversely affecting the market price of gold.

CONRAD (AND GRASSLEY) AMENDMENTS NOS. 2359–2360

(Ordered to lie on the table.)

Mr. CONRAD (for himself and Mr. GRASSLEY) submitted two amendments intended to be proposed by them to the bill, H.R. 434, supra; as follows:

AMENDMENT NO. 2359

At the end, insert the following new title:

TITLE ___—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS AND FISHERMEN

Subtitle A—Amendments to the Trade Act of 1974

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Trade Adjustment Assistance for Farmers and Fishermen Act''.

SEC. ___02. TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.

(a) IN GENERAL.—Title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end the following new chapter:

''CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

''SEC. 291. DEFINITIONS.

''In this chapter:

''(1) AGRICULTURAL COMMODITY PRODUCER.—The term 'agricultural commodity producer' means any person who is engaged in the production and sale of an agricultural commodity in the United States and who owns or shares the ownership and risk of loss of the agricultural commodity.

''(2) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity (including livestock, fish, or harvested seafood) in its raw or natural state.

''(3) DULY AUTHORIZED REPRESENTATIVE.—The term 'duly authorized representative' means an association of agricultural commodity producers.

''(4) NATIONAL AVERAGE PRICE.—The term 'national average price' means the national average price paid to an agricultural commodity producer for an agricultural commodity in a marketing year as determined by the Secretary of Agriculture.

''(5) CONTRIBUTED IMPORTANTLY.—

''(A) IN GENERAL.—The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

''(B) DETERMINATION OF CONTRIBUTED IMPORTANTLY.—The determination of whether imports of articles like or directly competitive with an agricultural commodity with respect to which the petition under this chapter was filed contributed importantly to a decline in the price of the agricultural commodity shall be made by the Secretary of Agriculture.

''(6) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''SEC. 292. PETITIONS; GROUP ELIGIBILITY.

''(a) IN GENERAL.—A petition for a certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary by a group of agricultural commodity producers or by their duly authorized representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.

''(b) HEARINGS.—If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested persons an opportunity to be present, to produce evidence, and to be heard.

''(c) GROUP ELIGIBILITY REQUIREMENTS.—The Secretary shall certify a group of agricultural commodity producers as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

''(1) that the national average price for the agricultural commodity, or a class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is less than 80 percent of the average of the national average price for such agricultural commodity, or such class of goods, for the 5 marketing years preceding the most recent marketing year; and

''(2) that either—

''(A) increases in imports of articles like or directly competitive with the agricultural commodity, or class of goods within the agricultural commodity, produced by the group contributed importantly to the decline in price described in paragraph (1); or

''(B) imports of articles like or directly competitive with the agricultural commodity, or class of goods within the agricultural commodity, produced by the group account for a significant percentage of the domestic market for the agricultural commodity (or class of goods) and have contributed importantly to the decline in price described in paragraph (1).

''(d) SPECIAL RULE FOR QUALIFIED SUBSEQUENT YEARS.—A group of agricultural commodity producers certified as eligible under section 293 shall be eligible to apply for assistance under this chapter in any qualified year after the year the group is first certified, if the Secretary determines that—

''(1) the national average price for the agricultural commodity, or class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is equal to or less than the price determined under subsection (c)(1); and

''(2) the requirements of subsection (c)(2)(A) or (B) are met.

''(e) DETERMINATION OF QUALIFIED YEAR AND COMMODITY.—In this chapter:

''(1) QUALIFIED YEAR.—The term 'qualified year', with respect to a group of agricultural commodity producers certified as eligible under section 293, means each consecutive year after the year in which the group is certified that the Secretary makes the determination under subsection (c) or (d), as the case may be.

''(2) CLASSES OF GOODS WITHIN A COMMODITY.—In any case in which there are separate classes of goods within an agricultural commodity, the Secretary shall treat each class as a separate commodity in determining group eligibility, the national average price, and level of imports under this section and section 296.

''SEC. 293. DETERMINATIONS BY SECRETARY.

''(a) IN GENERAL.—As soon as possible after the date on which a petition is filed under section 292, but in any event not later than 60 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of section 292(c) (or (d), as the case may be) and shall, if so, issue a certification of eligibility to apply for assistance under this chapter covering agricultural commodity producers in any group that meet the requirements. Each certification shall specify the date on which eligibility under this chapter begins.

''(b) NOTICE.—Upon making a determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register together with the Secretary's reasons for making the determination.

''(c) TERMINATION OF CERTIFICATION.—Whenever the Secretary determines, with respect to any certification of eligibility under this chapter, that the decline in price for the agricultural commodity covered by the certification is no longer attributable to the conditions described in section 292, the Secretary shall terminate such certification and promptly cause notice of such termination to be published in the Federal Register together with the Secretary's reasons for making such determination.

''SEC. 294. STUDY BY SECRETARY WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

''(a) IN GENERAL.—Whenever the International Trade Commission (in this chapter referred to as the 'Commission') begins an investigation under section 202 with respect to an agricultural commodity, the Commission shall immediately notify the Secretary of the investigation. Upon receipt of the notification, the Secretary shall immediately begin a study of—

''(1) the number of agricultural commodity producers producing a like or directly competitive agricultural commodity who have been or are likely to be certified as eligible for adjustment assistance under this chapter, and

''(2) the extent to which the adjustment of such producers to the import competition may be facilitated through the use of existing programs.

''(b) REPORT.—The report of the Secretary of the study under subsection (a) shall be made to the President not later than 15 days after the day on which the Commission makes its report under section 202(f). Upon making his report to the President, the Secretary shall also promptly make it public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of it published in the Federal Register.

''SEC. 295. BENEFIT INFORMATION TO AGRICULTURAL COMMODITY PRODUCERS.

''(a) IN GENERAL.—The Secretary shall provide full information to producers about the benefit allowances, training, and other employment services available under this title and about the petition and application procedures, and the appropriate filing dates, for such allowances, training, and services. The Secretary shall provide whatever assistance is necessary to enable groups to prepare petitions or applications for program benefits under this title.

''(b) NOTICE OF BENEFITS.—

''(1) IN GENERAL.—The Secretary shall mail written notice of the benefits available under this chapter to each agricultural commodity producer that the Secretary has reason to believe is covered by a certification made under this chapter.

''(2) OTHER NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to agricultural commodity producers that are covered by each certification made under this chapter in newspapers of general circulation in the areas in which such producers reside.

''SEC. 296. QUALIFYING REQUIREMENTS FOR AGRICULTURAL COMMODITY PRODUCERS.

''(a) IN GENERAL.—Payment of a trade adjustment allowance shall be made to an adversely affected agricultural commodity producer covered by a certification under this chapter who files an application for such allowance within 90 days after the date on which the Secretary makes a determination and issues a certification of eligibility under section 293, if the following conditions are met:

''(1) The producer submits to the Secretary sufficient information to establish the amount of agricultural commodity covered by the application filed under subsection (a), that was produced by the producer in the most recent year.

''(2) The producer certifies that the producer has not received cash benefits under any provision of this title other than this chapter.

''(3) The producer's net farm income (as determined by the Secretary) for the most recent year is less than the producer's net farm income for the latest year in which no adjustment assistance was received by the producer under this chapter.

''(4) The producer certifies that the producer has met with an Extension Service employee or agent to obtain, at no cost to the producer, information and technical assistance that will assist the producer in adjusting to import competition with respect to the adversely affected agricultural commodity, including—

''(A) information regarding the feasibility and desirability of substituting 1 or more alternative commodities for the adversely affected agricultural commodity; and

''(B) technical assistance that will improve the competitiveness of the production and marketing of the adversely affected agricultural commodity by the producer, including yield and marketing improvements.

''(b) AMOUNT OF CASH BENEFITS.—

''(1) IN GENERAL.—Subject to the provisions of section 298, an adversely affected agricultural commodity producer described in subsection (a) shall be entitled to adjustment assistance under this chapter in an amount equal to the product of—

''(A) one-half of the difference between—

''(i) an amount equal to 80 percent of the average of the national average price of the agricultural commodity covered by the application described in subsection (a) for the 5 marketing years preceding the most recent marketing year, and

''(ii) the national average price of the agricultural commodity for the most recent marketing year, and

''(B) the amount of the agricultural commodity produced by the agricultural commodity producer in the most recent marketing year.

''(2) SPECIAL RULE FOR SUBSEQUENT QUALIFIED YEARS.—The amount of cash benefits for a qualified year shall be determined in the same manner as cash benefits are determined under paragraph (1) except that the average national price of the agricultural commodity shall be determined under paragraph (1)(A)(i) by using the 5-marketing-year period used to determine the amount of cash benefits for the first certification.

''(c) MAXIMUM AMOUNT OF CASH ASSISTANCE.—The maximum amount of cash benefits an agricultural commodity producer may receive in any 12-month period shall not exceed $10,000.

''(d) LIMITATIONS ON OTHER ASSISTANCE.—An agricultural commodity producer entitled to receive a cash benefit under this chapter—

''(1) shall not be eligible for any other cash benefit under this title, and

''(2) shall be entitled to employment services and training benefits under sections 235 and 236.

''SEC. 297. FRAUD AND RECOVERY OF OVERPAYMENTS.

''(a) IN GENERAL.—

''(1) REPAYMENT.—If the Secretary, or a court of competent jurisdiction, determines that any person has received any payment under this chapter to which the person was not entitled, such person shall be liable to repay such amount to the Secretary, except that the Secretary may waive such repayment if the Secretary determines, in accordance with guidelines prescribed by the Secretary that—

''(A) the payment was made without fault on the part of such person, and

''(B) requiring such repayment would be contrary to equity and good conscience.

''(2) RECOVERY OF OVERPAYMENT.—Unless an overpayment is otherwise recovered, or waived under paragraph (1), the Secretary shall recover the overpayment by deductions from any sums payable to such person under this chapter.

''(b) FALSE STATEMENTS.—If the Secretary, or a court of competent jurisdiction, determines that a person—

''(1) knowingly has made, or caused another to make, a false statement or representation of a material fact, or

''(2) knowingly has failed, or caused another to fail, to disclose a material fact,

and as a result of such false statement or representation, or of such nondisclosure, such person has received any payment under this chapter to which the person was not entitled, such person shall, in addition to any other penalty provided by law, be ineligible for any further payments under this chapter.

''(c) NOTICE AND DETERMINATION.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the Secretary has been made, notice of the determination and an opportunity for a fair hearing thereon has been given to the person concerned, and the determination has become final.

''(d) PAYMENT TO TREASURY.—Any amount recovered under this section shall be returned to the Treasury of the United States.

''(e) PENALTIES.—Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

''SEC. 298. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated and there are appropriated to the Department of Agriculture for fiscal years 2000 through 2001, such sums as may be necessary to carry out the purposes of this chapter not to exceed $100,000,000 for each fiscal year.''.

''(b) PROPORTIONATE REDUCTION.—If in any year, the amount appropriated under this chapter is insufficient to meet the requirements for adjustment assistance payable under this chapter, the amount of assistance payable under this chapter shall be reduced proportionately.''.

(b) CONFORMING AMENDMENT.—The table of contents for title II of the Trade Act of 1974 is amended by inserting after the items relating to chapter 5, the following:

''CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

''Sec. 291. Definitions.
''Sec. 292. Petitions; group eligibility.
''Sec. 293. Determinations by Secretary.
''Sec. 294. Study by Secretary when International Trade Commission begins investigation.
''Sec. 295. Benefit information to agricultural commodity producers.
''Sec. 296. Qualifying requirements for agricultural commodity producers.
''Sec. 297. Fraud and recovery of overpayments.
''Sec. 298. Authorization of appropriations.''.

Subtitle B—Revenue Provisions Relating to Trade Adjustment Assistance

SEC. ___10. REFERENCE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. ___11. MODIFICATIONS TO ASSET DIVERSIFICATION TEST.

(a) IN GENERAL.—Subparagraph (B) of section 856(c)(4) is amended to read as follows:

''(B)(i) not more than 25 percent of the value of its total assets is represented by securities (other than those includible under subparagraph (A)), and

''(ii) except with respect to a taxable REIT subsidiary and securities includible under subparagraph (A)—

''(I) not more than 5 percent of the value of its total assets is represented by securities of any one issuer,

''(II) the trust does not hold securities possessing more than 10 percent of the total voting power of the outstanding securities of any one issuer, and

''(III) the trust does not hold securities having a value of more than 10 percent of the total value of the outstanding securities of any one issuer.''.

(b) EXCEPTION FOR STRAIGHT DEBT SECURITIES.—Subsection (c) of section 856 is amended by adding at the end the following new paragraph:

''(7) STRAIGHT DEBT SAFE HARBOR IN APPLYING PARAGRAPH (4).—Securities of an issuer which are straight debt (as defined in section 1361(c)(5) without regard to subparagraph (B)(iii) thereof) shall not be taken into account in applying paragraph (4)(B)(ii)(III) if—

''(A) the issuer is an individual, or

''(B) the only securities of such issuer which are held by the trust or a taxable REIT subsidiary of the trust are straight debt (as so defined), or

''(C) the issuer is a partnership and the trust holds at least a 20 percent profits interest in the partnership.''.

SEC. ___12. TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES.

(a) INCOME FROM TAXABLE REIT SUBSIDIARIES NOT TREATED AS IMPERMISSIBLE TENANT SERVICE INCOME.—Clause (i) of section 856(d)(7)(C) (relating to exceptions to impermissible tenant service income) is amended by inserting ''or through a taxable REIT subsidiary of such trust'' after ''income''.

(b) CERTAIN INCOME FROM TAXABLE REIT SUBSIDIARIES NOT EXCLUDED FROM RENTS FROM REAL PROPERTY.—

(1) IN GENERAL.—Subsection (d) of section 856 (relating to rents from real property defined) is amended by adding at the end the following new paragraphs:

''(8) SPECIAL RULE FOR TAXABLE REIT SUBSIDIARIES.—For purposes of this subsection, amounts paid to a real estate investment trust by a taxable REIT subsidiary of such trust shall not be excluded from rents from real property by reason of paragraph (2)(B) if the requirements of either of the following subparagraphs are met:

''(A) LIMITED RENTAL EXCEPTION.—The requirements of this subparagraph are met with respect to any property if at least 90 percent of the leased space of the property is rented to persons other than taxable REIT subsidiaries of such trust and other than persons described in section 856(d)(2)(B). The preceding sentence shall apply only to the extent that the amounts paid to the trust as rents from real property (as defined in paragraph (1) without regard to paragraph (2)(B)) from such property are substantially comparable to such rents made by the other tenants of the trust's property for comparable space.

''(B) EXCEPTION FOR CERTAIN LODGING FACILITIES.—The requirements of this subparagraph are met with respect to an interest in real property which is a qualified lodging facility leased by the trust to a taxable REIT subsidiary of the trust if the property is operated on behalf of such subsidiary by a person who is an eligible independent contractor.

''(9) ELIGIBLE INDEPENDENT CONTRACTOR.—For purposes of paragraph (8)(B)—

''(A) IN GENERAL.—The term 'eligible independent contractor' means, with respect to

any qualified lodging facility, any independent contractor if, at the time such contractor enters into a management agreement or other similar service contract with the taxable REIT subsidiary to operate the facility, such contractor (or any related person) is actively engaged in the trade or business of operating qualified lodging facilities for any person who is not a related person with respect to the real estate investment trust or the taxable REIT subsidiary.

''(B) SPECIAL RULES.—Solely for purposes of this paragraph and paragraph (8)(B), a person shall not fail to be treated as an independent contractor with respect to any qualified lodging facility by reason of any of the following:

''(i) The taxable REIT subsidiary bears the expenses for the operation of the facility pursuant to the management agreement or other similar service contract.

''(ii) The taxable REIT subsidiary receives the revenues from the operation of such facility, net of expenses for such operation and fees payable to the operator pursuant to such agreement or contract.

''(iii) The real estate investment trust receives income from such person with respect to another property that is attributable to a lease of such other property to such person that was in effect as of the later of—

''(I) January 1, 1999, or

''(II) the earliest date that any taxable REIT subsidiary of such trust entered into a management agreement or other similar service contract with such person with respect to such qualified lodging facility.

''(C) RENEWALS, ETC., OF EXISTING LEASES.—For purposes of subparagraph (B)(iii)—

''(i) a lease shall be treated as in effect on January 1, 1999, without regard to its renewal after such date, so long as such renewal is pursuant to the terms of such lease as in effect on whichever of the dates under subparagraph (B)(iii) is the latest, and

''(ii) a lease of a property entered into after whichever of the dates under subparagraph (B)(iii) is the latest shall be treated as in effect on such date if—

''(I) on such date, a lease of such property from the trust was in effect, and

''(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

''(D) QUALIFIED LODGING FACILITY.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'qualified lodging facility' means any lodging facility unless wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of accepting wagers and who is legally authorized to engage in such business at or in connection with such facility.

''(ii) LODGING FACILITY.—The term 'lodging facility' means a hotel, motel, or other establishment more than one-half of the dwelling units in which are used on a transient basis.

''(iii) CUSTOMARY AMENITIES AND FACILITIES.—The term 'lodging facility' includes customary amenities and facilities operated as part of, or associated with, the lodging facility so long as such amenities and facilities are customary for other properties of a comparable size and class owned by other owners unrelated to such real estate investment trust.

''(E) OPERATE INCLUDES MANAGE.—References in this paragraph to operating a property shall be treated as including a reference to managing the property.

''(F) RELATED PERSON.—Persons shall be treated as related to each other if such persons are treated as a single employer under subsection (a) or (b) of section 52.''.

(2) CONFORMING AMENDMENT.—Subparagraph (B) of section 856(d)(2) is amended by inserting ''except as provided in paragraph (8),'' after ''(B)''.

(3) DETERMINING RENTS FROM REAL PROPERTY.—

(A)(i) Paragraph (1) of section 856(d) is amended by striking ''adjusted bases'' each place it occurs and inserting ''fair market values''.

(ii) The amendment made by this subparagraph shall apply to taxable years beginning after December 31, 2000.

(B)(i) Clause (i) of section 856(d)(2)(B) is amended by striking ''number'' and inserting ''value''.

(ii) The amendment made by this subparagraph shall apply to amounts received or accrued in taxable years beginning after December 31, 2000, except for amounts paid pursuant to leases in effect on July 12, 1999, or pursuant to a binding contract in effect on such date and at all times thereafter.

SEC. ___13. TAXABLE REIT SUBSIDIARY.

(a) IN GENERAL.—Section 856 is amended by adding at the end the following new subsection:

''(l) TAXABLE REIT SUBSIDIARY.—For purposes of this part—

''(1) IN GENERAL.—The term 'taxable REIT subsidiary' means, with respect to a real estate investment trust, a corporation (other than a real estate investment trust) if—

''(A) such trust directly or indirectly owns stock in such corporation, and

''(B) such trust and such corporation jointly elect that such corporation shall be treated as a taxable REIT subsidiary of such trust for purposes of this part.

Such an election, once made, shall be irrevocable unless both such trust and corporation consent to its revocation. Such election, and any revocation thereof, may be made without the consent of the Secretary.

''(2) 35 PERCENT OWNERSHIP IN ANOTHER TAXABLE REIT SUBSIDIARY.—The term 'taxable REIT subsidiary' includes, with respect to any real estate investment trust, any corporation (other than a real estate investment trust) with respect to which a taxable REIT subsidiary of such trust owns directly or indirectly—

''(A) securities possessing more than 35 percent of the total voting power of the outstanding securities of such corporation, or

''(B) securities having a value of more than 35 percent of the total value of the outstanding securities of such corporation.

The preceding sentence shall not apply to a qualified REIT subsidiary (as defined in subsection (i)(2)). The rule of section 856(c)(7) shall apply for purposes of subparagraph (B).

''(3) EXCEPTIONS.—The term 'taxable REIT subsidiary' shall not include—

''(A) any corporation which directly or indirectly operates or manages a lodging facility or a health care facility, and

''(B) any corporation which directly or indirectly provides to any other person (under a franchise, license, or otherwise) rights to any brand name under which any lodging facility or health care facility is operated.

Subparagraph (B) shall not apply to rights provided to an eligible independent contractor to operate or manage a lodging facility if such rights are held by such corporation as a franchisee, licensee, or in a similar capacity and such lodging facility is either owned by such corporation or is leased to such corporation from the real estate investment trust.

''(4) DEFINITIONS.—For purposes of paragraph (3)—

''(A) LODGING FACILITY.—The term 'lodging facility' has the meaning given to such term by paragraph (9)(D)(ii).

''(B) HEALTH CARE FACILITY.—The term 'health care facility' has the meaning given to such term by subsection (e)(6)(D)(ii).''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 856(i) is amended by adding at the end the following new sentence: ''Such term shall not include a taxable REIT subsidiary.''.

SEC. ___14. LIMITATION ON EARNINGS STRIPPING.

Paragraph (3) of section 163(j) (relating to limitation on deduction for interest on certain indebtedness) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following new subparagraph:

''(C) any interest paid or accrued (directly or indirectly) by a taxable REIT subsidiary (as defined in section 856(l)) of a real estate investment trust to such trust.''.

SEC. ___15. 100 PERCENT TAX ON IMPROPERLY ALLOCATED AMOUNTS.

(a) IN GENERAL.—Subsection (b) of section 857 (relating to method of taxation of real estate investment trusts and holders of shares or certificates of beneficial interest) is amended by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively, and by inserting after paragraph (6) the following new paragraph:

''(7) INCOME FROM REDETERMINED RENTS, REDETERMINED DEDUCTIONS, AND EXCESS INTEREST.—

''(A) IMPOSITION OF TAX.—There is hereby imposed for each taxable year of the real estate investment trust a tax equal to 100 percent of redetermined rents, redetermined deductions, and excess interest.

''(B) REDETERMINED RENTS.—

''(i) IN GENERAL.—The term 'redetermined rents' means rents from real property (as defined in subsection 856(d)) the amount of which would (but for subparagraph (E)) be reduced on distribution, apportionment, or allocation under section 482 to clearly reflect income as a result of services furnished or rendered by a taxable REIT subsidiary of the real estate investment trust to a tenant of such trust.

''(ii) EXCEPTION FOR CERTAIN SERVICES.—Clause (i) shall not apply to amounts received directly or indirectly by a real estate investment trust for services described in paragraph (1)(B) or (7)(C)(i) of section 856(d).

''(iii) EXCEPTION FOR DE MINIMIS AMOUNTS.—Clause (i) shall not apply to amounts described in section 856(d)(7)(A) with respect to a property to the extent such amounts do not exceed the one percent threshold described in section 856(d)(7)(B) with respect to such property.

''(iv) EXCEPTION FOR COMPARABLY PRICED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

''(I) such subsidiary renders a significant amount of similar services to persons other than such trust and tenants of such trust who are unrelated (within the meaning of section 856(d)(8)(F)) to such subsidiary, trust, and tenants, but

''(II) only to the extent the charge for such service so rendered is substantially comparable to the charge for the similar services rendered to persons referred to in subclause (I).

''(v) EXCEPTION FOR CERTAIN SEPARATELY CHARGED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

''(I) the rents paid to the trust by tenants (leasing at least 25 percent of the net leasable space in the trust's property) who

leasable space in the trust's property) who are not receiving such service from such subsidiary are substantially comparable to the rents paid by tenants leasing comparable space who are receiving such service from such subsidiary, and

''(II) the charge for such service from such subsidiary is separately stated.

''(vi) EXCEPTION FOR CERTAIN SERVICES BASED ON SUBSIDIARY'S INCOME FROM THE SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if the gross income of such subsidiary from such service is not less than 150 percent of such subsidiary's direct cost in furnishing or rendering the service.

''(vii) EXCEPTIONS GRANTED BY SECRETARY.—The Secretary may waive the tax otherwise imposed by subparagraph (A) if the trust establishes to the satisfaction of the Secretary that rents charged to tenants were established on an arms' length basis even though a taxable REIT subsidiary of the trust provided services to such tenants.

''(C) REDETERMINED DEDUCTIONS.—The term 'redetermined deductions' means deductions (other than redetermined rents) of a taxable REIT subsidiary of a real estate investment trust if the amount of such deductions would (but for subparagraph (E)) be decreased on distribution, apportionment, or allocation under section 482 to clearly reflect income as between such subsidiary and such trust.

''(D) EXCESS INTEREST.—The term 'excess interest' means any deductions for interest payments by a taxable REIT subsidiary of a real estate investment trust to such trust to the extent that the interest payments are in excess of a rate that is commercially reasonable.

''(E) COORDINATION WITH SECTION 482.—The imposition of tax under subparagraph (A) shall be in lieu of any distribution, apportionment, or allocation under section 482.

''(F) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph. Until the Secretary prescribes such regulations, real estate investment trusts and their taxable REIT subsidiaries may base their allocations on any reasonable method.''.

(b) AMOUNT SUBJECT TO TAX NOT REQUIRED TO BE DISTRIBUTED.—Subparagraph (E) of section 857(b)(2) (relating to real estate investment trust taxable income) is amended by striking ''paragraph (5)'' and inserting ''paragraphs (5) and (7)''.

SEC. ___16. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by sections ___11 through ___15 shall apply to taxable years beginning after December 31, 2000.

(b) TRANSITIONAL RULES RELATED TO SECTION ___11.—

(1) EXISTING ARRANGEMENTS.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendment made by section ___11 shall not apply to a real estate investment trust with respect to—

(i) securities of a corporation held directly or indirectly by such trust on July 12, 1999,

(ii) securities of a corporation held by an entity on July 12, 1999, if such trust acquires control of such entity pursuant to a written binding contract in effect on such date and at all times thereafter before such acquisition,

(iii) securities received by such trust (or a successor) in exchange for, or with respect to, securities described in clause (i) or (ii) in a transaction in which gain or loss is not recognized, and

(iv) securities acquired directly or indirectly by such trust as part of a reorganization (as defined in section 368(a)(1) of the Internal Revenue Code of 1986) with respect to such trust if such securities are described in clause (i), (ii), or (iii) with respect to any other real estate investment trust.

(B) NEW TRADE OR BUSINESS OR SUBSTANTIAL NEW ASSETS.—Subparagraph (A) shall cease to apply to securities of a corporation as of the first day after July 12, 1999, on which such corporation engages in a substantial new line of business, or acquires any substantial asset, other than—

(i) pursuant to a binding contract in effect on such date and at all times thereafter before the acquisition of such asset,

(ii) in a transaction in which gain or loss is not recognized by reason of section 1031 or 1033 of the Internal Revenue Code of 1986, or

(iii) in a reorganization (as so defined) with another corporation the securities of which are described in paragraph (1)(A) of this subsection.

(C) LIMITATION ON TRANSITION RULES.—Subparagraph (A) shall cease to apply to securities of a corporation held, acquired, or received, directly or indirectly, by a real estate investment trust as of the first day after July 12, 1999, on which such trust acquires any additional securities of such corporation other than—

(i) pursuant to a binding contract in effect on July 12, 1999, and at all times thereafter, or

(ii) in a reorganization (as so defined) with another corporation the securities of which are described in paragraph (1)(A) of this subsection.

(2) TAX-FREE CONVERSION.—If—

(A) at the time of an election for a corporation to become a taxable REIT subsidiary, the amendment made by section ___11 does not apply to such corporation by reason of paragraph (1), and

(B) such election first takes effect before January 1, 2004,

such election shall be treated as a reorganization qualifying under section 368(a)(1)(A) of such Code.

SEC. ___17. HEALTH CARE REITS.

(a) SPECIAL FORECLOSURE RULE FOR HEALTH CARE PROPERTIES.—Subsection (e) of section 856 (relating to special rules for foreclosure property) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR QUALIFIED HEALTH CARE PROPERTIES.—For purposes of this subsection—

''(A) ACQUISITION AT EXPIRATION OF LEASE.—The term 'foreclosure property' shall include any qualified health care property acquired by a real estate investment trust as the result of the termination of a lease of such property (other than a termination by reason of a default, or the imminence of a default, on the lease).

''(B) GRACE PERIOD.—In the case of a qualified health care property which is foreclosure property solely by reason of subparagraph (A), in lieu of applying paragraphs (2) and (3)—

''(i) the qualified health care property shall cease to be foreclosure property as of the close of the second taxable year after the taxable year in which such trust acquired such property, and

''(ii) if the real estate investment trust establishes to the satisfaction of the Secretary that an extension of the grace period in clause (i) is necessary to the orderly leasing or liquidation of the trust's interest in such qualified health care property, the Secretary may grant one or more extensions of the grace period for such qualified health care property.

Any such extension shall not extend the grace period beyond the close of the 6th year after the taxable year in which such trust acquired such qualified health care property.

''(C) INCOME FROM INDEPENDENT CONTRACTORS.—For purposes of applying paragraph (4)(C) with respect to qualified health care property which is foreclosure property by reason of subparagraph (A) or paragraph (1), income derived or received by the trust from an independent contractor shall be disregarded to the extent such income is attributable to—

''(i) any lease of property in effect on the date the real estate investment trust acquired the qualified health care property (without regard to its renewal after such date so long as such renewal is pursuant to the terms of such lease as in effect on such date), or

''(ii) any lease of property entered into after such date if—

''(I) on such date, a lease of such property from the trust was in effect, and

''(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

''(D) QUALIFIED HEALTH CARE PROPERTY.—

''(i) IN GENERAL.—The term 'qualified health care property' means any real property (including interests therein), and any personal property incident to such real property, which—

''(I) is a health care facility, or

''(II) is necessary or incidental to the use of a health care facility.

''(ii) HEALTH CARE FACILITY.—For purposes of clause (i), the term 'health care facility' means a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility (as defined in section 7872(g)(4)), or other licensed facility which extends medical or nursing or ancillary services to patients and which, immediately before the termination, expiration, default, or breach of the lease of or mortgage secured by such facility, was operated by a provider of such services which was eligible for participation in the medicare program under title XVIII of the Social Security Act with respect to such facility.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___18. CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES.

(a) DISTRIBUTION REQUIREMENT.—Clauses (i) and (ii) of section 857(a)(1)(A) (relating to requirements applicable to real estate investment trusts) are each amended by striking ''95 percent (90 percent for taxable years beginning before January 1, 1980)'' and inserting ''90 percent''.

(b) IMPOSITION OF TAX.—Clause (i) of section 857(b)(5)(A) (relating to imposition of tax in case of failure to meet certain requirements) is amended by striking ''95 percent (90 percent in the case of taxable years beginning before January 1, 1980)'' and inserting ''90 percent''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___19. CLARIFICATION OF EXCEPTION FOR INDEPENDENT OPERATORS.

(a) IN GENERAL.—Paragraph (3) of section 856(d) (relating to independent contractor defined) is amended by adding at the end the following flush sentence:

''In the event that any class of stock of either the real estate investment trust or such person is regularly traded on an established securities market, only persons who own, directly or indirectly, more than 5 percent of such class of stock shall be taken into account as owning any of the stock of such class for purposes of applying the 35 percent limitation set forth in subparagraph (B) (but all of the outstanding stock of such class shall be considered outstanding in order to

compute the denominator for purpose of determining the applicable percentage of ownership).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___20. MODIFICATION OF EARNINGS AND PROFITS RULES.

(a) RULES FOR DETERMINING WHETHER REGULATED INVESTMENT COMPANY HAS EARNINGS AND PROFITS FROM NON-RIC YEAR.—Subsection (c) of section 852 is amended by adding at the end the following new paragraph:

''(3) DISTRIBUTIONS TO MEET REQUIREMENTS OF SUBSECTION (a)(2)(B).—Any distribution which is made in order to comply with the requirements of subsection (a)(2)(B)—

''(A) shall be treated for purposes of this subsection and subsection (a)(2)(B) as made from the earliest earnings and profits accumulated in any taxable year to which the provisions of this part did not apply rather than the most recently accumulated earnings and profits, and

''(B) to the extent treated under subparagraph (A) as made from accumulated earnings and profits, shall not be treated as a distribution for purposes of subsection (b)(2)(D) and section 855.''.

(b) CLARIFICATION OF APPLICATION OF REIT SPILLOVER DIVIDEND RULES TO DISTRIBUTIONS TO MEET QUALIFICATION REQUIREMENT.—Subparagraph (B) of section 857(d)(3) is amended by inserting before the period ''and section 858''.

(c) APPLICATION OF DEFICIENCY DIVIDEND PROCEDURES.—Paragraph (1) of section 852(e) is amended by adding at the end the following new sentence: ''If the determination under subparagraph (A) is solely as a result of the failure to meet the requirements of subsection (a)(2), the preceding sentence shall also apply for purposes of applying subsection (a)(2) to the non-RIC year.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. ___21. MODIFICATION OF ESTIMATED TAX RULES FOR CLOSELY HELD REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Subsection (e) of section 6655 (relating to estimated tax by corporations) is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF CERTAIN REIT DIVIDENDS.—

''(A) IN GENERAL.—Any dividend received from a closely held real estate investment trust by any person which owns (after application of subsections (d)(5) and (l)(3)(B) of section 856) 10 percent or more (by vote or value) of the stock or beneficial interests in the trust shall be taken into account in computing annualized income installments under paragraph (2) in a manner similar to the manner under which partnership income inclusions are taken into account.

''(B) CLOSELY HELD REIT.—For purposes of subparagraph (A), the term 'closely held real estate investment trust' means a real estate investment trust with respect to which 5 or fewer persons own (after application of subsections (d)(5) and (l)(3)(B) of section 856) 50 percent or more (by vote or value) of the stock or beneficial interests in the trust.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to estimated tax payments due on or after November 15, 1999.

SEC. ___22. CONTROLLED ENTITIES INELIGIBLE FOR REIT STATUS.

(a) IN GENERAL.—Subsection (a) of section 856 (relating to definition of real estate investment trust) is amended by striking ''and'' at the end of paragraph (6), by redesignating paragraph (7) as paragraph (8), and by inserting after paragraph (6) the following new paragraph:

''(7) which is not a controlled entity (as defined in subsection (l)); and''.

(b) CONTROLLED ENTITY.—Section 856 is amended by adding at the end the following new subsection:

''(l) CONTROLLED ENTITY.—

''(1) IN GENERAL.—For purposes of subsection (a)(7), an entity is a controlled entity if, at any time during the taxable year, one person (other than a qualified entity)—

''(A) in the case of a corporation, owns stock—

''(i) possessing at least 50 percent of the total voting power of the stock of such corporation, or

''(ii) having a value equal to at least 50 percent of the total value of the stock of such corporation, or

''(B) in the case of a trust, owns beneficial interests in the trust which would meet the requirements of subparagraph (A) if such interests were stock.

''(2) QUALIFIED ENTITY.—For purposes of paragraph (1), the term 'qualified entity' means—

''(A) any real estate investment trust, and

''(B) any partnership in which one real estate investment trust owns at least 50 percent of the capital and profits interests in the partnership.

''(3) ATTRIBUTION RULES.—For purposes of this paragraphs (1) and (2)—

''(A) IN GENERAL.—Rules similar to the rules of subsections (d)(5) and (h)(3) shall apply; except that section 318(a)(3)(C) shall not be applied under such rules to treat stock owned by a qualified entity as being owned by a person which is not a qualified entity.

''(B) STAPLED ENTITIES.—A group of entities which are stapled entities (as defined in section 269B(c)(2)) shall be treated as one person.

''(4) EXCEPTION FOR CERTAIN NEW REITS.—

''(A) IN GENERAL.—The term 'controlled entity' shall not include an incubator REIT.

''(B) INCUBATOR REIT.—A corporation shall be treated as an incubator REIT for any taxable year during the eligibility period if it meets all the following requirements for such year:

''(i) The corporation elects to be treated as an incubator REIT.

''(ii) The corporation has only voting common stock outstanding.

''(iii) Not more than 50 percent of the corporation's real estate assets consist of mortgages.

''(iv) From not later than the beginning of the last half of the second taxable year, at least 10 percent of the corporation's capital is provided by lenders or equity investors who are unrelated to the corporation's largest shareholder.

''(v) The corporation annually increases the value of its real estate assets by at least 10 percent.

''(vi) The directors of the corporation adopt a resolution setting forth an intent to engage in a going public transaction.

No election may be made with respect to any REIT if an election under this subsection was in effect for any predecessor of such REIT.

''(C) ELIGIBILITY PERIOD.—

''(i) IN GENERAL.—The eligibility period (for which an incubator REIT election can be made) begins with the REIT's second taxable year and ends at the close of the REIT's third taxable year, except that the REIT may, subject to clauses (ii), (iii), and (iv), elect to extend such period for an additional 2 taxable years.

''(ii) GOING PUBLIC TRANSACTION.—A REIT may not elect to extend the eligibility period under clause (i) unless it enters into an agreement with the Secretary that if it does not engage in a going public transaction by the end of the extended eligibility period, it shall pay Federal income taxes for the 2 years of the extended eligibility period as if it had not made an incubator REIT election and had ceased to qualify as a REIT for those 2 taxable years.

''(iii) RETURNS, INTEREST, AND NOTICE.—

''(I) RETURNS.—In the event the corporation ceases to be treated as a REIT by operation of clause (ii), the corporation shall file any appropriate amended returns reflecting the change in status within 3 months of the close of the extended eligibility period.

''(II) INTEREST.—Interest shall be payable on any tax imposed by reason of clause (ii) for any taxable year but, unless there was a finding under subparagraph (D), no substantial underpayment penalties shall be imposed.

''(III) NOTICE.—The corporation shall, at the same time it files its returns under subclause (I), notify its shareholders and any other persons whose tax position is, or may reasonably be expected to be, affected by the change in status so they also may file any appropriate amended returns to conform their tax treatment consistent with the corporation's loss of REIT status.

''(IV) REGULATIONS.—The Secretary shall provide appropriate regulations setting forth transferee liability and other provisions to ensure collection of tax and the proper administration of this provision.

''(iv) Clauses (ii) and (iii) shall not apply if the corporation allows its incubator REIT status to lapse at the end of the initial 2-year eligibility period without engaging in a going public transaction if the corporation is not a controlled entity as of the beginning of its fourth taxable year. In such a case, the corporation's directors may still be liable for the penalties described in subparagraph (D) during the eligibility period.

''(D) SPECIAL PENALTIES.—If the Secretary determines that an incubator REIT election was filed for a principal purpose other than as part of a reasonable plan to undertake a going public transaction, an excise tax of $20,000 shall be imposed on each of the corporation's directors for each taxable year for which an election was in effect.

''(E) GOING PUBLIC TRANSACTION.—For purposes of this paragraph, a going public transaction means—

''(i) a public offering of shares of the stock of the incubator REIT;

''(ii) a transaction, or series of transactions, that results in the stock of the incubator REIT being regularly traded on an established securities market and that results in at least 50 percent of such stock being held by shareholders who are unrelated to persons who held such stock before it began to be so regularly traded; or

''(iii) any transaction resulting in ownership of the REIT by 200 or more persons (excluding the largest single shareholder) who in the aggregate own at least 50 percent of the stock of the REIT.

For the purposes of this subparagraph, the rules of paragraph (3) shall apply in determining the ownership of stock.

''(F) DEFINITIONS.—The term 'established securities market' shall have the meaning set forth in the regulations under section 897.''

(c) CONFORMING AMENDMENT.—Paragraph (2) of section 856(h) is amended by striking ''and (6)'' each place it appears and inserting '', (6), and (7)''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after July 14, 1999.

(2) EXCEPTION FOR EXISTING CONTROLLED ENTITIES.—The amendments made by this section shall not apply to any entity which is a controlled entity (as defined in section 856(l)

of the Internal Revenue Code of 1986, as added by this section) as of July 14, 1999, which is a real estate investment trust for the taxable year which includes such date, and which has significant business assets or activities as of such date. For purposes of the preceding sentence, an entity shall be treated as such a controlled entity on July 14, 1999, if it becomes such an entity after such date in a transaction—

(A) made pursuant to a written agreement which was binding on such date and at all times thereafter, or

(B) described on or before such date in a filing with the Securities and Exchange Commission required solely by reason of the transaction.

SEC. ___23. MODIFICATION OF INDIVIDUAL ESTIMATED TAX SAFE HARBOR.

(a) IN GENERAL.—The table contained in clause (i) of section 6654(d)(1)(C) (relating to limitation on use of preceding year's tax) is amended by striking all matter beginning with the item relating to 1999 or 2000 and inserting the following new items:

''1999	106.5
2000	106
2001	112
2002 or thereafter	110''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to any installment payment for taxable years beginning after December 31, 1999.

AMENDMENT NO. 2360

At the appropriate place, insert the following new section:

SEC. ___. AGRICULTURE TRADE NEGOTIATING OBJECTIVES AND CONSULTATIONS WITH CONGRESS.

(a) FINDINGS.—Congress finds that—

(1) United States agriculture contributes positively to the United States balance of trade and United States agricultural exports support in excess of 1,000,000 United States jobs;

(2) United States agriculture competes successfully worldwide despite the fact that United States producers are at a competitive disadvantage because of the trade distorting support and subsidy practices of other countries and despite the fact that significant tariff and nontariff barriers exist to United States exports; and

(3) a successful conclusion of the next round of World Trade Organization negotiations is critically important to the United States agricultural sector.

(b) OBJECTIVES.—The agricultural trade negotiating objectives of the United States with respect to the World Trade Organization negotiations include—

(1) immediately eliminating all export subsidies worldwide while maintaining bona fide food aid and preserving United States market development and export credit programs that allow the United States to compete with other foreign export promotion efforts;

(2) leveling the playing field for United States producers of agricultural products by eliminating blue box subsidies and disciplining domestic supports in a way that forces producers to face world prices on all production in excess of domestic food security needs while allowing the preservation of non-trade distorting programs to support family farms and rural communities;

(3) disciplining state trading enterprises by insisting on transparency and banning discriminatory pricing practices that amount to de facto export subsidies so that the enterprises do not (except in cases of bona fide food aid) sell in foreign markets at prices below domestic market prices or prices below the full costs of acquiring and delivering agricultural products to the foreign markets;

(4) insisting that the Sanitary and Phytosanitary Accord agreed to in the Uruguay Round applies to new technologies, including biotechnology, and clarifying that labeling requirements to allow consumers to make choices regarding biotechnology products or other regulatory requirements cannot be used as disguised barriers to trade;

(5) increasing opportunities for United States exports of agricultural products by first reducing tariff and nontariff barriers to trade to the same or lower levels than exist in the United States and then eliminating barriers, such as—

(A) restrictive or trade distorting practices that adversely impact perishable or cyclical products;

(B) restrictive rules in the administration of tariff-rate quotas; and

(C) unjustified sanitary and phytosanitary restrictions or other unjustified technical barriers to agricultural trade;

(6) encouraging government policies that avoid price-depressing surpluses; and

(7) strengthening dispute settlement procedures so that countries cannot maintain unjustified restrictions on United States exports in contravention of their commitments.

(c) CONSULTATION WITH CONGRESSIONAL COMMITTEES.—

(1) CONSULTATION BEFORE OFFER MADE.—Before the United States Trade Representative negotiates a trade agreement that would reduce tariffs on agricultural products or require a change in United States agricultural law, the United States Trade Representative shall consult with the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate and the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives.

(2) CONSULTATION BEFORE AGREEMENT INITIALED.—Not less than 48 hours before initialing an agreement relating to agricultural trade negotiated under the auspices of the World Trade Organization, the United States Trade Representative shall consult closely with the committees referred to in paragraph (1) regarding—

(A) the details of the agreement;

(B) the potential impact of the agreement on United States agricultural producers; and

(C) any changes in United States law necessary to implement the agreement.

(3) NO SECRET SIDE DEALS.—Any agreement or other understanding (whether verbal or in writing) that relates to agricultural trade that is not disclosed to the Congress before legislation implementing a trade agreement is introduced in either house of Congress shall not be considered to be part of the agreement approved by Congress and shall have no force and effect under United States law or in any dispute settlement body.

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

(1) reaching a successful agreement on agriculture should be the top priority of United States negotiators; and

(2) if the primary competitors of the United States do not reduce their trade distorting domestic supports and export subsidies in accordance with the negotiating objectives expressed in this section, the United States should increase its support and subsidy levels to level the playing field in order to improve United States farm income and to encourage United States competitors to eliminate export subsidies and domestic supports that are harmful to United States farmers and ranchers.

CONRAD AMENDMENT NO. 2361

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the end, insert the following new title:

TITLE ___—CONGRESSIONAL APPROVAL FOR UNILATERAL SANCTIONS

SEC.___01. SHORT TITLE.

This title may be cited as the ''Food and Medicine for the World Act''.

SEC. ___02. REQUIREMENT OF CONGRESSIONAL APPROVAL OF ANY UNILATERAL AGRICULTURAL OR MEDICAL SANCTION.

(a) DEFINITIONS.—In this section:

(1) AGRICULTURAL COMMODITY.—The term ''agricultural commodity'' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(2) AGRICULTURAL PROGRAM.—The term ''agricultural program'' means—

(A) any program administered under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et. seq.);

(B) any program administered under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(C) any program administered under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et. seq.);

(D) the dairy export incentive program administered under section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14);

(E) any commercial export sale of agricultural commodities; or

(F) any export financing (including credits or credit guarantees) provided by the United States Government for agricultural commodities.

(3) JOINT RESOLUTION.—The term ''joint resolution'' means—

(A) in the case of subsection (b)(1)(B), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under subsection (b)(1)(A) is received by Congress, the matter after the resolving clause of which is as follows: ''That Congress approves the report of the President pursuant to section ___02(b)(1)(A) of the Food and Medicine for the World Act, transmitted on _____.'', with the blank completed with the appropriate date; and

(B) in the case of subsection (e)(2), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under subsection (e)(1) is received by Congress, the matter after the resolving clause of which is as follows: ''That Congress approves the report of the President pursuant to section ___02(e)(1) of the Food and Medicine for the World Act, transmitted on _____.'', with the blank completed with the appropriate date.

(4) MEDICAL DEVICE.—The term ''medical device'' has the meaning given the term ''device'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(5) MEDICINE.—The term ''medicine'' has the meaning given the term ''drug'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(6) UNILATERAL AGRICULTURAL SANCTION.—The term ''unilateral agricultural sanction'' means any prohibition, restriction, or condition on carrying out an agricultural program with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(7) UNILATERAL MEDICAL SANCTION.—The term ''unilateral medical sanction'' means any prohibition, restriction, or condition on

exports of, or the provision of assistance consisting of, medicine or a medical device with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(b) RESTRICTION.—

(1) NEW SANCTIONS.—Except as provided in subsections (c) and (d) and notwithstanding any other provision of law, the President may not impose a unilateral agricultural sanction or unilateral medical sanction against a foreign country or foreign entity, unless—

(A) not later than 60 days before the sanction is proposed to be imposed, the President submits a report to Congress that—

(i) describes the activity proposed to be prohibited, restricted, or conditioned; and

(ii) describes the actions by the foreign country or foreign entity that justify the sanction; and

(B) Congress enacts a joint resolution stating the approval of Congress for the report submitted under subparagraph (A).

(2) EXISTING SANCTIONS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), with respect to any unilateral agricultural sanction or unilateral medical sanction that is in effect as of the date of enactment of this Act, the President shall terminate the sanction.

(B) EXEMPTIONS.—Subparagraph (A) shall not apply to a unilateral agricultural sanction or unilateral medical sanction imposed with respect to—

(i) any program administered under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(ii) the Export Credit Guarantee Program (GSM-102) or the Intermediate Export Credit Guarantee Program (GSM-103) established under section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622); or

(iii) the dairy export incentive program administered under section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14).

(c) EXCEPTIONS.—Subsection (b) shall not affect any authority or requirement to impose (or continue to impose) a sanction referred to in subsection (b)—

(1) against a foreign country or foreign entity with respect to which Congress has enacted a declaration of war that is in effect on or after the date of enactment of this Act; or

(2) to the extent that the sanction would prohibit, restrict, or condition the provision or use of any agricultural commodity, medicine, or medical device that is—

(A) controlled on the United States Munitions List established under section 38 of the Arms Export Control Act (22 U.S.C. 2778);

(B) controlled on any control list established under the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.); or

(C) used to facilitate the development or production of a chemical or biological weapon or weapon of mass destruction.

(d) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—Subsection (b) shall not affect the prohibitions in effect on or after the date of enactment of this Act under section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371) on providing, to the government of any country supporting international terrorism, United States government assistance, including United States foreign assistance, United States export assistance, or any United States credits or credit guarantees.

(e) TERMINATION OF SANCTIONS.—Any unilateral agricultural sanction or unilateral medical sanction that is imposed pursuant to the procedures described in subsection (b)(1) shall terminate not later than 2 years after the date on which the sanction became effective unless—

(1) not later than 60 days before the date of termination of the sanction, the President submits to Congress a report containing the recommendation of the President for the continuation of the sanction for an additional period of not to exceed 2 years and the request of the President for approval by Congress of the recommendation; and

(2) Congress enacts a joint resolution stating the approval of Congress for the report submitted under paragraph (1).

(f) CONGRESSIONAL PRIORITY PROCEDURES.—

(1) REFERRAL OF REPORT.—A report described in subsection (b)(1)(A) or (e)(1) shall be referred to the appropriate committee or committees of the House of Representatives and to the appropriate committee or committees of the Senate.

(2) REFERRAL OF JOINT RESOLUTION.—

(A) IN GENERAL.—A joint resolution shall be referred to the committees in each House of Congress with jurisdiction.

(B) REPORTING DATE.—A joint resolution referred to in subparagraph (A) may not be reported before the eighth session day of Congress after the introduction of the joint resolution.

(3) DISCHARGE OF COMMITTEE.—If the committee to which is referred a joint resolution has not reported the joint resolution (or an identical joint resolution) at the end of 30 session days of Congress after the date of introduction of the joint resolution—

(A) the committee shall be discharged from further consideration of the joint resolution; and

(B) the joint resolution shall be placed on the appropriate calendar of the House concerned.

(4) FLOOR CONSIDERATION.—

(A) MOTION TO PROCEED.—

(i) IN GENERAL.—When the committee to which a joint resolution is referred has reported, or when a committee is discharged under paragraph (3) from further consideration of, a joint resolution—

(I) it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any member of the House concerned to move to proceed to the consideration of the joint resolution; and

(II) all points of order against the joint resolution (and against consideration of the joint resolution) are waived.

(ii) PRIVILEGE.—The motion to proceed to the consideration of the joint resolution—

(I) shall be highly privileged in the House of Representatives and privileged in the Senate; and

(II) not debatable.

(iii) AMENDMENTS AND MOTIONS NOT IN ORDER.—The motion to proceed to the consideration of the joint resolution shall not be subject to—

(I) amendment;

(II) a motion to postpone; or

(III) a motion to proceed to the consideration of other business.

(iv) MOTION TO RECONSIDER NOT IN ORDER.—A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(v) BUSINESS UNTIL DISPOSITION.—If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the House concerned until disposed of.

(B) LIMITATIONS ON DEBATE.—

(i) IN GENERAL.—Debate on the joint resolution, and on all debatable motions and appeals in connection with the joint resolution, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution.

(ii) FURTHER DEBATE LIMITATIONS.—A motion to limit debate shall be in order and shall not be debatable.

(iii) AMENDMENTS AND MOTIONS NOT IN ORDER.—An amendment to, a motion to postpone, a motion to proceed to the consideration of other business, a motion to recommit the joint resolution, or a motion to reconsider the vote by which the joint resolution is agreed to or disagreed to shall not be in order.

(C) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the House concerned, the vote on final passage of the joint resolution shall occur.

(D) RULINGS OF THE CHAIR ON PROCEDURE.—An appeal from a decision of the Chair relating to the application of the rules of the Senate or House of Representatives, as the case may be, to the procedure relating to a joint resolution shall be decided without debate.

(5) COORDINATION WITH ACTION BY OTHER HOUSE.—If, before the passage by 1 House of a joint resolution of that House, that House receives from the other House a joint resolution, the following procedures shall apply:

(A) NO COMMITTEE REFERRAL.—The joint resolution of the other House shall not be referred to a committee.

(B) FLOOR PROCEDURE.—With respect to a joint resolution of the House receiving the joint resolution—

(i) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(ii) the vote on final passage shall be on the joint resolution of the other House.

(C) DISPOSITION OF JOINT RESOLUTIONS OF RECEIVING HOUSE.—On disposition of the joint resolution received from the other House, it shall no longer be in order to consider the joint resolution originated in the receiving House.

(6) PROCEDURES AFTER ACTION BY BOTH THE HOUSE AND SENATE.—If a House receives a joint resolution from the other House after the receiving House has disposed of a joint resolution originated in that House, the action of the receiving House with regard to the disposition of the joint resolution originated in that House shall be deemed to be the action of the receiving House with regard to the joint resolution originated in the other House.

(7) RULEMAKING POWER.—This paragraph is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such this paragraph—

(i) is deemed to be a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution; and

(ii) supersedes other rules only to the extent that this paragraph is inconsistent with those rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section takes effect on the date of enactment of this Act.

(2) EXISTING SANCTIONS.—In the case of any unilateral agricultural sanction or unilateral medical sanction that is in effect as of the date of enactment of this Act, this section takes effect 180 days after the date of enactment of this Act.

WELLSTONE AMENDMENTS NOS. 2362–2366

(Ordered to lie on the table.)

Mr. WELLSTONE submitted five amendments intended to be proposed by him to the bill, H.R. 434, supra; as follows:

AMENDMENT NO. 2362

At the appropriate place insert the following:

SEC. ___. STATE PROVIDED VOLUNTARY PUBLIC FINANCING OF FEDERAL CANDIDATES.

Section 403 of the Federal Election Campaign Act of 1971 (2 U.S.C. 453) is amended by adding at the end the following: ''The preceding sentence shall not be interpreted to prohibit a State from enacting a voluntary public financing system which applies to a candidate for election to Federal office, other than the office of President or Vice-President, from such State who agrees to limit acceptance of contributions, use of personal funds, and the making of expenditures in connection with the election in exchange for full or partial public financing from a State fund with respect to the election, except that such system shall not allow any person to take any action in violation of the provisions of this Act.''.

AMENDMENT NO. 2363

At the appropriate place insert the following:

SEC. ___. STATE PROVIDED VOLUNTARY PUBLIC FINANCING OF FEDERAL CANDIDATES.

Section 403 of the Federal Election Campaign Act of 1971 (2 U.S.C. 453) is amended by adding at the end the following: ''The preceding sentence shall not be interpreted to prohibit a State from enacting a voluntary public financing system which applies to a candidate for election to Federal office, other than the office of President or Vice-President, from such State who agrees to limit acceptance of contributions, use of personal funds, and the making of expenditures in connection with the election in exchange for full or partial public financing from a State fund with respect to the election, except that such system shall not allow any person to take any action in violation of the provisions of this Act.''.

AMENDMENT NO. 2364

At the appropriate place insert the following:

SEC. ___. STATE PROVIDED VOLUNTARY PUBLIC FINANCING OF FEDERAL CANDIDATES.

Section 403 of the Federal Election Campaign Act of 1971 (2 U.S.C. 453) is amended by adding at the end the following: ''The preceding sentence shall not be interpreted to prohibit a State from enacting a voluntary public financing system which applies to a candidate for election to Federal office, other than the office of President or Vice-President, from such State who agrees to limit acceptance of contributions, use of personal funds, and the making of expenditures in connection with the election in exchange for full or partial public financing from a State fund with respect to the election, except that such system shall not allow any person to take any action in violation of the provisions of this Act.''.

AMENDMENT NO. 2365

At the appropriate place insert the following:

SEC. ___. STATE PROVIDED VOLUNTARY PUBLIC FINANCING OF FEDERAL CANDIDATES.

Section 403 of the Federal Election Campaign Act of 1971 (2 U.S.C. 453) is amended by adding at the end the following: ''The preceding sentence shall not be interpreted to prohibit a State from enacting a voluntary public financing system which applies to a candidate for election to Federal office, other than the office of President or Vice-President, from such State who agrees to limit acceptance of contributions, use of personal funds, and the making of expenditures in connection with the election in exchange for full or partial public financing from a State fund with respect to the election, except that such system shall not allow any person to take any action in violation of the provisions of this Act.''.

AMENDMENT NO. 2366

At the appropriate place insert the following:

SEC. ___. STATE PROVIDED VOLUNTARY PUBLIC FINANCING OF FEDERAL CANDIDATES.

Section 403 of the Federal Election Campaign Act of 1971 (2 U.S.C. 453) is amended by adding at the end the following: ''The preceding sentence shall not be interpreted to prohibit a State from enacting a voluntary public financing system which applies to a candidate for election to Federal office, other than the office of President or Vice-President, from such State who agrees to limit acceptance of contributions, use of personal funds, and the making of expenditures in connection with the election in exchange for full or partial public financing from a State fund with respect to the election, except that such system shall not allow any person to take any action in violation of the provisions of this Act.''.

DODD (AND OTHERS) AMENDMENT NO. 2367

(Ordered to lie on the table.)

Mr. DODD (for himself, Mr. LIEBERMAN, Mr. ASHCROFT, and Mr. BOND) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new section:

SEC. ___. RELIQUIDATION OF CERTAIN NUCLEAR FUEL ASSEMBLIES.

(a) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, upon proper request filed with the Secretary of the Treasury not later than 90 days after the date of the enactment of this Act, the Secretary shall—

(1) reliquidate as free of duty the entries listed in subsection (b); and

(2) refund any duties paid with respect to such entries as shown on Customs Service Collection Receipt Number 527006753.

(b) ENTRIES.—The entries referred to in subsection (a) are as follows:

Entry Number	Date of Entry
062-2320014-5	January 16, 1996
062-2320085-5	February 13, 1996
839-4030989-7	January 25, 1996
839-4031053-1	December 2, 1996
839-4031591-0	January 21, 1997.

BAUCUS (AND OTHERS) AMENDMENT NO. 2368

(Ordered to lie on the table.)

Mr. BAUCUS (for himself, Mr. BINGAMAN, and Mrs. MURRAY) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra; as follows:

At the appropriate place, add the following new title:

TITLE ___—FOREIGN AGRICULTURAL EXPORT SUBSIDIES

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Agricultural Trade Fairness Act of 1999''.

SEC. ___02. FINDINGS.

Congress finds that—

(1) United States agricultural producers are facing financial ruin due to unanticipated declines in prices for agricultural commodities;

(2) foreign export subsidies of agricultural commodities depress prices further and prevent access to export markets by United States agricultural producers;

(3) the European Union, the entity that provides by far the largest agricultural export subsidies, provides 84 percent of the agricultural export subsidies provided in the world;

(4) the export enhancement program carried out by the United States under section 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5651) is authorized to be funded at over $500,000,000 for each of fiscal years 1998 through 2000 (consistent with the Uruguay Round reduction commitments), but has been funded at well below the authorized levels; and

(5) the European Union continues to use agricultural export subsidies to bridge the gap between high domestic support prices and lower world prices, resulting in extreme market distortions.

SEC. ___03. RESPONSE TO UNFAIR TRADE PRACTICES BY EUROPEAN UNION.

Title III of the Agricultural Trade Act of 1978 (7 U.S.C. 5651 et seq.) is amended by adding at the end the following:

''SEC. 304. RESPONSE TO UNFAIR TRADE PRACTICES BY EUROPEAN UNION.

''(a) REDUCTION OF AGRICULTURAL EXPORT SUBSIDIES.—

''(1) IN GENERAL.—If by January 1, 2002, the European Union does not reduce agricultural export subsidies by at least 50 percent of the level of agricultural export subsidies provided as of October 1, 1999 (as determined by the Secretary), the Secretary shall take appropriate measures to protect the interests of producers of United States agricultural commodities and ensure the international competitiveness of United States agriculture.

''(2) MEASURES.—In carrying out paragraph (1), the Secretary shall, to the maximum extent practicable—

''(A) target the European Union's most sensitive export markets for feed grains; and

''(B) make available to carry out the export enhancement program under section 301(e)(1) not more than $1,000,000,000 to encourage the commercial sale of United States agricultural commodities in the chief export markets of the European Union.

''(b) ELIMINATION OF AGRICULTURAL EXPORT SUBSIDIES.—

''(1) IN GENERAL.—If by January 1, 2003, the European Union and the United States do not enter into an agricultural trade agreement under which the European Union agrees to eliminate agricultural export subsidies (as determined by the Secretary), the Secretary shall take appropriate measures to protect the interests of producers of United States agricultural commodities and ensure the international competitiveness of United States agriculture.

''(2) MEASURES.—In carrying out paragraph (1), the Secretary shall, to the maximum extent practicable—

''(A) target the European Union's most sensitive export markets for feed grains;

''(B) make available to carry out the export enhancement program under section 301(e)(1) not more than $2,000,000,000 to encourage the commercial sale of United

courage the commercial sale of United States agricultural commodities in the chief export markets of the European Union;

''(C) increase the amount of funds made available to carry out direct credit programs and export credit guarantee programs under subsections (a) and (b) of section 211 to promote the commercial export sale of United States agricultural commodities in the chief export markets of the European Union; and

''(D) increase the amount of funds made available to carry out the market access program under section 211(c)(1) to encourage the development, maintenance, and expansion of commercial export markets for United States agricultural commodities in the chief export markets of the European Union.''.

BAUCUS (AND OTHERS) AMENDMENT NO. 2369

(Ordered to lie on the table.)

Mr. BAUCUS (for himself, Mr. GRAMS, Mrs. MURRAY, and Mr. WYDEN) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new section:

SEC. ___. ENVIRONMENTAL GOODS.

(a) FINDINGS.—Congress makes the following findings:

(1) United States trade policy should facilitate export of American products which improve the quality of life.

(2) United States firms possess a variety of technologies which can measure, limit, and prevent environmental damage.

(3) The World Trade Organization is considering a proposal generated in the Asia Pacific Economic Cooperation (APEC) to reduce barriers to trade in environmental products. The proposal includes the elimination of tariff barriers on such products.

(4) Eliminating such tariffs would benefit both the environment and United States exporters.

(5) The President, after consultation with Congress, should have the authority to enter into a broad-based agreement to eliminate tariff barriers with respect to environmental products under the auspices of the World Trade Organization.

(b) PURPOSE.—The purpose of this section is to reduce barriers to international trade in environmental products.

(c) PROCLAMATION AUTHORITY.—

(1) IN GENERAL.—If the President determines that any existing duty or other import restriction of any foreign country or the United States is unduly burdening or restricting the foreign trade of the United States with respect to an environmental product described in paragraph (2) and the United States enters into an agreement to eliminate or reduce the duty or remove the burden or restriction with respect to such product as part of a multilateral negotiation under the auspices of the World Trade Organization, the President may proclaim the elimination or staged rate reductions of any duty on such environmental product.

(2) ENVIRONMENTAL PRODUCT DESCRIBED.—An environmental product described in this paragraph means—

(A) any product used to measure, prevent, limit, or correct environmental damage to water, air, and soil;

(B) any product used to address environmental problems related to waste, noise, and ecosystems; and

(C) any technology, process, and product which reduces environmental risk and minimizes pollution or use of materials.

(3) CONSULTATION AND LAYOVER.—Any duty elimination or staged rate reduction provided for in this section may be proclaimed only if the President—

(A) has obtained advice regarding the proposed action from the appropriate advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and the International Trade Commission;

(B) has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth—

(i) the action proposed to be proclaimed;

(ii) the reasons for such action; and

(iii) the advice obtained under subparagraph (A); and

(C) has consulted with the committees regarding the proposed action during the 60-calendar day period, beginning on the first day after the day on which the President has met the requirements of subparagraphs (A) and (B).

KERRY AMENDMENT NO. 2370

(Ordered to lie on the table.)

Mr. KERRY submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert:

SEC. ___. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45D. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

''(a) GENERAL RULE.—For purposes of section 38, the vaccine research credit determined under this section for the taxable year is an amount equal to 30 percent of the qualified vaccine research expenses for the taxable year.

''(b) QUALIFIED VACCINE RESEARCH EXPENSES.—For purposes of this section—

''(1) QUALIFIED VACCINE RESEARCH EXPENSES.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'qualified vaccine research expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year which would be described in subsection (b) of section 41 if such subsection were applied with the modifications set forth in subparagraph (B).

''(B) MODIFICATIONS.—For purposes of subparagraph (A), subsection (b) of section 41 shall be applied—

''(i) by substituting 'vaccine research' for 'qualified research' each place it appears in paragraphs (2) and (3) of such subsection, and

''(ii) by substituting '75 percent' for '65 percent' in paragraph (3)(A) of such subsection.

''(C) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified vaccine research expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(2) VACCINE RESEARCH.—The term 'vaccine research' means research to develop vaccines and microbicides for—

''(A) malaria,

''(B) tuberculosis, or

''(C) HIV.

''(c) COORDINATION WITH CREDIT FOR INCREASING RESEARCH EXPENDITURES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), any qualified vaccine research expenses for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 for such taxable year.

''(2) EXPENSES INCLUDED IN DETERMINING BASE PERIOD RESEARCH EXPENSES.—Any qualified vaccine research expenses for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

''(d) SPECIAL RULES.—

''(1) LIMITATIONS ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any vaccine research (other than human clinical testing) conducted outside the United States by any entity which is not registered with the Secretary.

''(2) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply for purposes of this section.

''(3) ELECTION.—This section (other than subsection (e)) shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

''(e) SHAREHOLDER EQUITY INVESTMENT CREDIT IN LIEU OF RESEARCH CREDIT.—

''(1) IN GENERAL.—For purposes of section 38, the vaccine research credit determined under this section for the taxable year shall include an amount equal to 20 percent of the amount paid by the taxpayer to acquire qualified research stock in a corporation if—

''(A) the amount received by the corporation for such stock is used within 18 months after the amount is received to pay qualified vaccine research expenses of the corporation for which a credit would (but for subparagraph (B) and subsection (d)(3)) be determined under this section, and

''(B) the corporation waives its right to the credit determined under this section for the qualified vaccine research expenses which are paid with such amount.

''(2) QUALIFIED RESEARCH STOCK.—For purposes of paragraph (1), the term 'qualified research stock' means any stock in a C corporation—

''(A) which is originally issued after the date of the enactment of the Lifesaving Vaccine Technology Act of 1999,

''(B) which is acquired by the taxpayer at its original issue (directly or through an underwriter) in exchange for money or other property (not including stock), and

''(C) as of the date of issuance, such corporation meets the gross assets tests of subparagraphs (A) and (B) of section 1202(d)(1).''

(b) INCLUSION IN GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b) of the Internal Revenue Code of 1986 (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', plus'', and by adding at the end the following new paragraph:

''(13) the vaccine research credit determined under section 45D.''.

(2) TRANSITION RULE.—Section 39(d) of such Code (relating to transitional rules) is amended by adding at the end the following new paragraph:

''(9) NO CARRYBACK OF SECTION 45D CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the vaccine research credit determined under section 45D may be carried back to a taxable year ending before the date of the enactment of section 45D.''.

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C of the Internal Revenue Code of 1986 (relating to certain expenses for which credits are allowable) is amended by adding at the end the following new subsection:

''(d) CREDIT FOR QUALIFIED VACCINE RESEARCH EXPENSES.—

''(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified vaccine research expenses (as defined in section

45D(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45D(a).

''(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.''.

(d) DEDUCTION FOR UNUSED PORTION OF CREDIT.—Section 196(c) of the Internal Revenue Code of 1986 (defining qualified business credits) is amended by striking ''and'' at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting '', and'', and by adding at the end the following new paragraph:

''(9) the vaccine research credit determined under section 45D(a) (other than such credit determined under the rules of section 280C(d)(2)).''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 45D. Credit for medical research related to developing vaccines against widespread diseases.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 1999, in taxable years ending after such date.

(g) DISTRIBUTION OF VACCINES DEVELOPED USING CREDIT.—It is the sense of Congress that if a tax credit is allowed under section 45D of the Internal Revenue Code of 1986 (as added by subsection (a)) to any corporation or shareholder of a corporation by reason of vaccine research expenses incurred by the corporation in the development of a vaccine, such corporation should certify to the Secretary of the Treasury that, within 1 year after that vaccine is first licensed, such corporation will establish a good faith plan to maximize international access to high quality and affordable vaccines.

(h) STUDY.—The Secretary of the Treasury, in consultation with the Institute of Medicine, shall conduct a study of the effectiveness of the credit under section 45D of the Internal Revenue Code of 1986 (as so added) in stimulating vaccine research. Not later than the date which is 4 years after the date of the enactment of this Act, the Secretary shall submit to the Congress the results of such study together with any recommendations the Secretary may have to improve the effectiveness of such credit in stimulating vaccine research.

(i) ACCELERATION OF INTRODUCTION OF PRIORITY VACCINES.—It is the sense of Congress that the President and Federal agencies (including the Department of State, the Department of Health and Human Services, and the Department of the Treasury) should work together in vigorous support of the creation and funding of a multi-lateral, international effort, such as a vaccine purchase fund, to accelerate the introduction of vaccines to which the tax credit under section 45D of the Internal Revenue Code of 1986 (as so added) applies and of other priority vaccines into the poorest countries in the world.

(j) FLEXIBLE PRICING.—It is the sense of Congress that flexible or differential pricing for vaccines, providing lowered prices for the poorest countries, is one of several valid strategies to accelerate the introduction of vaccines in developing countries.

HARKIN AMENDMENT NO. 2371

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new section:

SEC. ___. GOODS MADE WITH FORCED OR INDENTURED LABOR.

(a) IN GENERAL.—Section 307 of the Tariff Act of 1930 (19 U.S.C. 1307) is amended—

(1) in the second sentence, by striking ''; but in no case'' and all that follows to the end period; and

(2) by adding at the end the following new sentence: ''For purposes of this section, the term 'forced labor or/and indentured labor' includes forced or indentured child labor.''.

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by subsection (a)(1) applies to goods entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

(2) CHILD LABOR.—The amendment made by subsection (a)(2) takes effect on the date of enactment of this Act.

SANTORUM AMENDMENT NO. 2372

(Ordered to lie on the table.)

Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

On page 22, between lines 5 and 6, insert the following new section:

SEC. 116. STUDY ON IMPROVING AFRICAN AGRICULTURAL PRACTICES.

(a) IN GENERAL.—The United States Department of Agriculture, in consultation with American Land Grant Colleges and Universities and not-for-profit international organizations, is authorized to conduct a two-year study on ways to improve the flow of American farming techniques and practices to African farmers. The study conducted by the Department of Agriculture shall include an examination of ways of improving or utilizing—

(1) knowledge of insect and sanitation procedures;

(2) modern farming and soil conservation techniques;

(3) modern farming equipment (including maintaining the equipment);

(4) marketing crop yields to prospective purchasers; and

(5) crop maximization practices.

The study shall be submitted to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives not later than September 30, 2001.

(b) LAND GRANT COLLEGES AND NOT-FOR-PROFIT INSTITUTIONS.—The Department of Agriculture is encouraged to consult with American Land Grant Colleges and not-for-profit international organizations that have firsthand knowledge of current African farming practices.

(c) AUTHORIZATION OF FUNDING.—There is authorized to be appropriated $2,000,000 to conduct the study described in subsection (a).

COVERDELL AMENDMENT NO. 2373

(Ordered to lie on the table.)

Mr. COVERDELL submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new section:

SEC. ___. LIMITATION ON BENEFITS.

Notwithstanding any other provision of law, a country that is otherwise entitled to receive beneficial trade preferences or treatment with the United States under this Act shall not be entitled to such benefits unless and until the President certifies to Congress that such country has in place, and enforces, laws adequate to prevent their country's financial systems from being used to circumvent the criminal laws of the United States relating to money laundering and other illegal financial activities.

HOLLINGS AMENDMENT NOS. 2374–2391

(Ordered to lie on the table.)

Mr. HOLLINGS submitted 18 amendments intended to be proposed by him to the bill, H.R. 434, supra; as follows:

AMENDMENT NO. 2374

Strike all after the first word and insert the following:

SEC.___. MINIMUM WAGE.

(a) INCREASE.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.65 an hour during the year beginning on December 1, 2000; and

''(B) $6.15 an hour beginning on January 1, 2001;''.

(b) APPLICATION TO COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—The provisions of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

AMENDMENT NO. 2375

Strike all after the first word and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Bipartisan Campaign Finance Reform Act of 1999''.

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

Sec. 1. Short title; table of contents.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

Sec. 101. Soft money of political parties.
Sec. 102. Increased contribution limits for State committees of political parties and aggregate contribution limit for individuals.
Sec. 103. Reporting requirements.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

Sec. 201. Definitions.
Sec. 202. Express advocacy determined without regard to background music.
Sec. 203. Civil penalty.
Sec. 204. Reporting requirements for certain independent expenditures.
Sec. 205. Independent versus coordinated expenditures by party.
Sec. 206. Coordination with candidates.

TITLE III—DISCLOSURE

Sec. 301. Filing of reports using computers and facsimile machines.
Sec. 302. Prohibition of deposit of contributions with incomplete contributor information.
Sec. 303. Audits.
Sec. 304. Reporting requirements for contributions of $50 or more.
Sec. 305. Use of candidates' names.
Sec. 306. Prohibition of false representation to solicit contributions.
Sec. 307. Soft money of persons other than political parties.
Sec. 308. Campaign advertising.

TITLE IV—PERSONAL WEALTH OPTION

Sec. 401. Voluntary personal funds expenditure limit.
Sec. 402. Political party committee coordinated expenditures.

TITLE V—MISCELLANEOUS
Sec. 501. Codification of Beck decision.
Sec. 502. Use of contributed amounts for certain purposes.
Sec. 503. Limit on congressional use of the franking privilege.
Sec. 504. Prohibition of fundraising on Federal property.
Sec. 505. Penalties for violations.
Sec. 506. Strengthening foreign money ban.
Sec. 507. Prohibition of contributions by minors.
Sec. 508. Expedited procedures.
Sec. 509. Initiation of enforcement proceeding.
Sec. 510. Protecting equal participation of eligible voters in campaigns and elections.
Sec. 511. Penalty for violation of prohibition against foreign contributions.
Sec. 512. Expedited court review of certain alleged violations of Federal Election Campaign Act of 1971.
Sec. 513. Conspiracy to violate presidential campaign spending limits.
Sec. 514. Deposit of certain contributions and donations in Treasury account.
Sec. 515. Establishment of a clearinghouse of information on political activities within the Federal Election Commission.
Sec. 516. Enforcement of spending limit on presidential and vice presidential conditions who received public financing.
Sec. 517. Clarification of right of nationals of the United States to make political contributions.

TITLE VI—INDEPENDENT COMMISSION ON CAMPAIGN FINANCE REFORM
Sec. 601. Establishment and purpose of Commission.
Sec. 602. Membership of Commission.
Sec. 603. Powers of Commission.
Sec. 604. Administrative provisions.
Sec. 605. Report and recommended legislation.
Sec. 606. Expedited congressional consideration of legislation.
Sec. 607. Termination.
Sec. 608. Authorization of appropriations.

TITLE VII—PROHIBITING USE OF WHITE HOUSE MEALS AND ACCOMMODATIONS FOR POLITICAL FUNDRAISING
Sec. 701. Prohibiting use of White House means and accommodations for political fundraising.

TITLE VIII—SENSE OF THE CONGRESS REGARDING FUNDRAISING ON FEDERAL GOVERNMENT PROPERTY
Sec. 801. Sense of the Congress regarding applicability of controlling legal authority of fundraising on Federal government property.

TITLE IX—PROHIBITING SOLICITATION TO OBTAIN ACCESS TO CERTAIN FEDERAL GOVERNMENT PROPERTY
Sec. 901. Prohibition against acceptance or solicitation to obtain access to certain Federal government property.

TITLE X—REIMBURSEMENT FOR USE OF GOVERNMENT PROPERTY FOR CAMPAIGN ACTIVITY
Sec. 1001. Requiring national parties to reimburse at cost for use of Air Force One for political fundraising.

TITLE XI—PROHIBITING USE OF WALKING AROUND MONEY
Sec. 1101. Prohibiting campaigns from providing currently to individuals for purposes of encouraging turnout on date of election.

TITLE XII—ENHANCING ENFORCEMENT OF CAMPAIGN LAW
Sec. 1201. Enhancing enforcement of campaign finance law.

TITLE XIII—BAN ON COORDINATED SOFT MONEY ACTIVITIES BY PRESIDENTIAL CANDIDATES
Sec. 1301. Ban on coordination of soft money for issue advocacy by presidential candidates receiving public financing.

TITLE XIV—POSTING NAMES OF CERTAIN AIR FORCE ONE PASSENGERS ON INTERNET
Sec. 1401. Requirement that names of passengers on Air Force One and Air Force Two be made available through the Internet.

TITLE XV—EXPLUSION PROCEEDINGS FOR HOUSE MEMBERS RECEIVING FOREIGN CONTRIBUTIONS
Sec. 1501. Permitting consideration of privileged motion to expel House member accepting illegal foreign contribution.

TITLE XVI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS
Sec. 1601. Severability.
Sec. 1602. Review of constitutional issues.
Sec. 1603. Effective date.
Sec. 1604. Regulations.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

SEC. 101. SOFT MONEY OF POLITICAL PARTIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section.—

''SOFT MONEY OF POLITICAL PARTIES

''SEC. 323. (a) NATIONAL COMMITTEE.—

''(1) IN GENERAL.—A national committee of a political party (including a national congressional campaign committee of a political party) and any officers or agents of such party committees, shall not solicit, receive, or direct to another person a contribution, donation, or transfer of funds, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) APPLICABILITY.— This subsection shall apply to an entity that is directly or indirectly established, financed, maintained, or controlled by a national committee of a political party (including a national congressional campaign committee of a political party), or an entity acting on behalf of a national committee and an officer or agent acting on behalf of any such committee or entity.

''(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

''(1) IN GENERAL.—An amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of such committee or entity) for Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) FEDERAL ELECTION ACTIVITY.—

''(A) IN GENERAL.—The term 'Federal election activity' means—

''(i) voter registration activity during the period that begins on the date that is 120 days before the date a regularly scheduled Federal election is held and ends on the date of the election;

''(ii) voter identification, get-out-the-vote activity, or generic campaign activity conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot); and

''(iii) a communication that refers to a clearly identified candidate for Federal office (regardless of whether a candidate for State or local office is also mentioned or identified) and is made for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy).

''(B) EXCLUDED ACTIVITY.—The term 'Federal election activity' does not include an amount expended or disbursed by a State, district, or local committee of a political party for—

''(i) campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, provided the campaign activity is not a Federal election activity described in subparagraph (A);

''(ii) a contribution to a candidate for State or local office, provided the contribution is not designated or used to pay for a Federal election activity described in subparagraph (A);

''(iii) the costs of a State, district, or local political convention;

''(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs, that name or depict only a candidate for State or local office;

''(v) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of an individual who spends more than 20 percent of the individual's time on Federal election activity) as determined by a regulation promulgated by the Commission to determine the non-Federal share of a State, district, or local party committee's administrative and overhead expenses; and

''(vi) the cost of constructing or purchasing an office facility or equipment for a State, district or local committee.

''(c) FUNDRAISING COSTS.—An amount spent by a national, State, district, or local committee of a political party, by an entity that is established, financed, maintained, or controlled by a national, State, district, or local committee of a political party, or by an agent or officer of any such committee or entity, to raise funds that are used, in whole or in part, to pay the costs of a Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(d) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party), an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, and an officer or agent acting on behalf of any such party committee or entity, shall not solicit any funds for, or make or direct any donations to, an organization that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code (or has submitted an application to the Commissioner of the Internal Revenue Service for determination of tax-exemption under such section).

''(e) CANDIDATES.—

''(1) IN GENERAL.—A candidate, individual holding Federal office, agent of a candidate or individual holding Federal office, or an entity directly or indirectly established, financed, maintained or controlled by or acting on behalf of one or more candidates or individuals holding Federal office, shall not—

''(A) solicit, receive, direct, transfer, or spend funds in connection with an election for Federal office, including funds for any Federal election activity, unless the funds are subject to the limitations. prohibitions, and reporting requirements of this Act; or

''(B) solicit, receive, direct, transfer, or spend funds in connection with any election

other than an election for Federal office or disburse funds in connection with such an election unless the funds—

''(i) are not in excess of the amounts permitted with respect to contributions to candidates and political committees under paragraphs (1) and (2) of section 315(a); and

''(ii) are not from sources prohibited by this Act from making contributions with respect to an election for Federal office.

''(2) STATE LAW.—Paragraph (1) does not apply to the solicitation, receipt, or spending of funds by an individual who is a candidate for a State or local office in connection with such election for State or local office if the solicitation, receipt, or spending of funds is permitted under State law for any activity other than a Federal election activity.

''(3) FUNDRAISING EVENTS.—Notwithstanding paragraph (1), a candidate may attend, speak, or be a featured guest at a fund raising event for a State, district, or local committee of a political party.''.

SEC. 102. INCREASED CONTRIBUTION LIMITS FOR STATE COMMITTEES OF POLITICAL PARTIES AND AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUALS.

(a) CONTRIBUTION LIMIT FOR STATE COMMITTEES OF POLITICAL PARTIES.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking ''or'' at the end;

(2) in subparagraph (C)—

(A) by inserting ''(other than a committee described in subparagraph (D))'' after ''committee''; and

(B) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following—

''(D) to a political committee established and maintained by a State committee of a political party in any calendar year that, in the aggregate, exceed $10,000''.

(b) AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUAL.—Section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by striking ''$25,000'' and inserting ''$30,000''.

SEC. 103. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 204) is amended by inserting after subsection (d) the following.—

''(e) POLITICAL COMMITTEES.—

''(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of a political party, any national congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period.

''(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 323 APPLIES: In addition to any other reporting requirements applicable under this Act, a political committee (not described in paragraph (1)) to which section 323(b)(1) applies shall report all receipts and disbursements made for activities described in paragraphs (2)(A) and (2)(B)(v) of section 323(b).

''(3) ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

''(4) REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a)''.

(b) BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

SEC. 201. DEFINITIONS.

(a) DEFINITION OF INDEPENDENT EXPENDITURE.—Section 301 of the Federal Election Campaign Act (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17) INDEPENDENT EXPENDITURE.—

''(A) IN GENERAL.— The term 'independent expenditure' means an expenditure by a person—

''(i) for a communication that is express advocacy; and

''(ii) that is not coordinated activity or is not provided in coordination with a candidate or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent.''.

(b) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end the following:

''(20) EXPRESS ADVOCACY.—

''(A) IN GENERAL.—The term 'express advocacy' means a communication that advocates the election or defeat of a candidate by—

''(i) containing a phrase such as 'vote for', 're-elect', 'support', 'cast your ballot for', '(name of candidate) for Congress', '(name of candidate) in 1997', 'vote against', 'defeat', 'reject', or a campaign slogan or words that in context can have no reasonable meaning other than to advocate the election or defeat of one or more clearly identified candidates;

''(ii) referring to one or more clearly identified candidates in a paid advertisement that is transmitted through radio or television within 60 calendar days preceding the date of an election of the candidate and that appears in the State in which the election is occurring, except that with respect to a candidate for the office of Vice President or President, the time period is within 60 calendar days preceding the date of a general election; or

''(iii) expressing unmistakable and unambiguous support for or opposition to one or more clearly identified candidates when taken as a whole and with limited reference to external events, such as proximity to an election.

''(B) VOTING RECORD AND VOTING GUIDE EXCEPTION.—The term 'express advocacy' does not include a communication which is in printed form or posted on the Internet that—

''(i) presents information solely about the voting record or position on a campaign issue of one or more candidates (including any statement by the sponsor of the voting record or voting guide of its agreement or disagreement with the record or position of a candidate), so long as the voting record or voting guide when taken as a whole does not express unmistakable and unambiguous support for or opposition to one or more clearly identified candidates;

''(ii) is not coordinated activity or is not made in coordination with a candidate, political party, or agent of the candidate or party, or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent, except that nothing in this clause may be construed to prevent the sponsor of the voting guide from directing questions in writing to a candidate about the candidate's position on issues for purposes of preparing a voter guide or to prevent the candidate from responding in writing to such questions; and

''(iii) does not contain a phrase such as 'vote for', 're-elect', 'support', 'cast your ballot for', '(name of candidate) for Congress', '(name of candidate) in 1997', 'vote against', 'defeat', 'reject', or a campaign slogan or words that in context can have no reasonable meaning other than to urge the election or defeat of one or more clearly identified candidates.''.

(c) DEFINITION OF EXPENDITURE.—Section 301(9)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(A)) is amended—

(1) in clause (i), by striking ''and'' at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(iii) a payment made by a political committee for a communication that—

''(I) refers to a clearly identified candidate; and

''(II) is for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy).''.

SEC. 202. EXPRESS ADVOCACY DETERMINED WITHOUT REGARD TO BACKGROUND MUSIC.

Section 301(20) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(20)), as added by section 201(b), is amended by adding at the end the following new subparagraph:

''(C) BACKGROUND MUSIC.—In determining whether any communication by television or radio broadcast constitutes express advocacy for purposes of this Act, there shall not be taken into account any background music not including lyrics used in such broadcast.''.

SEC. 203. CIVIL PENALTY.

Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended—

(1) in subsection (a)—

(A) in paragraph (4)(A)—

(1) in clause (i), by striking ''clause (ii)'' and inserting ''clauses (ii) and (iii)''; and

(ii) by adding at the end the following:

''(iii) If the Commission determines by an affirmative vote of 4 of its members that there is probable cause to believe that a person has made a knowing and willful violation of section 304(c), the Commission shall not enter into a conciliation agreement under this paragraph and may institute a civil action for relief under paragraph (6)(A).''; and

(B) in paragraph (6)(B), by inserting ''(except an action instituted in connection with a knowing and willful violation of section 304(c))' after 'subparagraph (A)''; and

(2) in subsection (d)(1)—

(A) in subparagraph (A), by striking ''Any person'' and inserting ''Except as provided in subparagraph (D), any person''; and

(B) by adding at the end the following.—

''(D) In the case of a knowing and willful violation of section 304(c) that involves the reporting of an independent expenditure, the violation shall not be subject to this subsection.''.

SEC. 204. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended—

(1) in subsection (c)(2), by striking the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) of subsection (c) as subsection (f); and

(3) by inserting after subsection (c)(2) (as amended by paragraph (1)) the following.—

''(d) TIME FOR REPORTING CERTAIN EXPENDITURES.—

''(1) EXPENDITURES AGGREGATING $1,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before the date of an election shall file a report describing the expenditures within 24 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the

person shall file an additional report within 24 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $1,000 with respect to the same election as that to which the initial report relates.

''(2) EXPENDITURES AGGREGATING $10,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 48 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $10,000 with respect to the same election as that to which the initial report relates.

''(3) PLACE OF FILING; CONTENTS.—A report under this subsection—

''(A) shall be filed with the Commission; and

''(B) shall contain the information required by subsection (b)(6)(B)(iii), including the name of each candidate whom an expenditure is intended to support or oppose.''.

SEC. 205. INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.

Section 315(d) of the Federal Election Campaign Act (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by striking ''and (3)'' and inserting, ''(3), and (4)''; and

(2) by adding at the end the following:

''(4) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.—

''(A) IN GENERAL.—On or after the date on which a political party nominates a candidate, a committee of the political party shall not make both expenditures under this subsection and independent expenditures (as defined in section 301(17)) with respect to the candidate during the election cycle.

''(B) CERTIFICATION.—Before making a coordinated expenditure under this subsection with respect to a candidate, a committee of a political party shall file with the Commission a certification, signed by the treasurer of the committee, that the committee has not and shall not make any independent expenditure with respect to the candidate during the same election cycle.

''(C) APPLICATION.—For purposes of this paragraph, all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.

''(D) TRANSFERS.—A committee of a political party that submits a certification under subparagraph (B) with respect to a candidate shall not, during an election cycle, transfer any funds to, assign authority to make coordinated expenditures under this subsection to, or receive a transfer of funds from, a committee of the political party that has made or intends to make an independent expenditure with respect to the candidate.''.

SEC. 206. COORDINATION WITH CANDIDATES.

(a) DEFINITION OF COORDINATION WITH CANDIDATES.—

(1) SECTION 301(8).—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(A) in subparagraph (A)—

(i) by striking ''or'' at the end of clause (i);

(ii) by striking the period at the end of clause (ii) and inserting ''; or''; and

(iii) by adding at the end the following:

''(iii) coordinated activity (as defined in subparagraph (C)).''; and

(B) by adding at the end the following.—

''(C) ''Coordinated activity'' means anything of value provided by a person in coordination with a candidate, an agent of the candidate, or the political party of the candidate or its agent for the purpose of influencing a Federal election (regardless of whether the value being provided is a communication that is express advocacy) in which such candidate seeks nomination or election to Federal office, and includes any of the following.—

''(i) A payment made by a person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with a candidate, the candidate's authorized committee, the political party of the candidate, or an agent acting on behalf of a candidate, authorized committee, or the political party of the candidate.

''(ii) A payment made by a person for the production, dissemination, distribution, or republication, in whole or in part, of any broadcast or any written graphic, or other form of campaign material prepared by a candidate, a candidate's authorized committee, or an agent of a candidate or authorized committee (not including a communication described in paragraph (9)(B)(i) or a communication that expressly advocates the candidate's defeat).

''(iii) A payment made by a person based on information about a candidate's plans, projects, or needs provided to the person making the payment by the candidate or the candidate's agent who provides the information with the intent that the payment be made.

''(iv) A payment made by a person if, in the same election cycle in which the payment is made, the person making the payment is serving or has served as a member, employee, fundraiser, or agent of the candidate's authorized committee in an executive or policymaking position.

''(v) A payment made by a person if the person making the payment has served in any formal policy making or advisory position with the candidate's campaign or has participated in formal strategic or formal policymaking discussions (other than any discussion treated as a lobbying contact under the Lobbying Disclosure Act of 1995 in the case of a candidate holding Federal office or as a similar lobbying activity in the case of a candidate holding State or other elective office) with the candidate's campaign relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle as the election cycle in which the payment is made.

''(vi) A payment made by a person if, in the same election cycle, the person making the payment retains the professional services of any person that has provided or is providing campaign-related services in the same election cycle to a candidate (including services provided through a political committee of the candidate's political party) in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including services relating to the candidate's decision to seek Federal office, and the person retained is retained to work on activities relating to that candidate's campaign.

''(vii) A payment made by a person who has directly participated in fundraising activities with the candidate or in the solicitation or receipt of contributions on behalf of the candidate.

''(viii) A payment made by a person who has communicated with the candidate or an agent of the candidate (including a communication through a political committee of the candidate's political party) after the declaration of candidacy (including a pollster, media consultant, vendor, advisor, or staff member acting on behalf of the candidate), about advertising message, allocation of resource, fundraising, or other campaign matters related to the candidate's campaign, including campaign operations, staffing, tactics, or strategy.

''(ix) The provision of in-kind professional services or polling data (including services or data provided through a political committee of the candidate's political party) to the candidate or candidate's agent.

''(x) A payment made by a person who has engaged in a coordinated activity with a candidate described in clauses (i) through (ix) for a communication that clearly refers to the candidate or the candidate's opponent and is for the purpose of influencing that candidate's election (regardless of whether the communication is express advocacy).

''(D) For purposes of subparagraph (C), the term 'professional services' means polling, media advice, fundraising, campaign research or direct mail (except for mailhouse services solely for the distribution of voter guides as defined in section 431(20)(B)) services in support of a candidate's pursuit of nomination for election, or election, to Federal office.

''(E) For purposes of subparagraph (C), all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.''.

(2) SECTION 315(a)(7).—Section 315(a)(7) (2 U.S.C. 441a(a)(7)) is amended by striking subparagraph (B) and inserting the following—

''(B) a coordinated activity, as described in section 301(8)(C), shall be considered to be a contribution to the candidate, and in the case of a limitation on expenditures, shall be treated as an expenditure by the candidate.

''(b) MEANING OF CONTRIBUTION OR EXPENDITURE FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by striking shall include' and inserting 'includes a contribution or expenditure, as those terms are defined in section 301, and also includes' ''.

TITLE III—DISCLOSURE

SEC. 301. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 304(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting the following—

''(11)(A) The Commission shall promulgate a regulation under which a person required to file a designation, statement, or report under this Act—

''(i) is required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

''(ii) may maintain and file a designation, statement, or report in electronic form or an alternative form, including the use of a facsimile machine, if not required to do so under the regulation promulgated under clause (i).

''(B) The Commission shall make a designation, statement, report, or notification that is filed electronically with the Commission accessible to the public on the Internet not later than 24 hours after the designation, statement, report, or notification is received by the Commission.

''(C) In promulgating a regulation under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulation. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.''.

SEC. 302. PROHIBITION OF DEPOSIT OF CONTRIBUTIONS WITH INCOMPLETE CONTRIBUTOR INFORMATION.

Section 302 of Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following:

''(j) DEPOSIT OF CONTRIBUTIONS.—The treasurer of a candidate's authorized committee shall not deposit, except in an escrow account, or otherwise negotiate a contribution from a person who makes an aggregate amount of contributions in excess of $200 during a calendar year unless the treasurer verifies that the information required by this section with respect to the contributor is complete.'.

SEC. 303. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting ''(1) IN GENERAL.—'' before ''The Commission'';

(2) by moving the text 2 ems to the right; and

(3) by adding at the end the following:

''(2) RANDOM AUDITS.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act. The selection of any candidate for a random audit or investigation shall be based on criteria adopted by a vote of at least four members of the Commission.

''(B) LIMITATION.—The Commission shall not conduct an audit or investigation of a candidate's authorized committee under subparagraph (A) until the candidate is no longer a candidate for the office sought by the candidate in an election cycle.

''(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.''.

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking '6 months' and inserting ''12 months''.

SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBUTIONS OF $50 OR MORE

Section 304(b)(3)(A) of the Federal Election Campaign Act at 1971 (2 U.S.C. 434(b)(3)(A) is amended—

(1) by striking ''$200'' and inserting ''$50''; and

(2) by striking the semicolon and inserting '', except that in the case of a person who makes contributions aggregating at least $50 but not more than $200 during the calendar year, the identification need include only the name and address of the person;''.

SEC. 305. USE OF CANDIDATES' NAMES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by striking paragraph (4) and inserting the following:

''(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

''(B) A political committee that is not an authorized committee shall not—

''(i) include the name of any candidate in its name; or

''(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of the committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.''.

SEC. 306. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting after ''SEC. 322.'' the following: ''(a) IN GENERAL:''; and

(2) by adding at the end the following:

''(b) SOLICITATION OF CONTRIBUTIONS.—No person shall solicit contributions by falsely representing himself or herself as a candidate or as a representative of a candidate, a political committee, or a political party.''.

SEC. 307. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

(a) IN GENERAL.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 103(c) and section 204) is amended by adding at the end the following:

''(g) DISBURSEMENTS OF PERSONS OTHER THAN POLITICAL PARTIES.—

''(1) IN GENERAL.—A person, other than a political committee of a political party or a person described in section 501(d) of the Internal Revenue Code of 1986, that makes an aggregate amount of disbursements in excess of $50,000 during a calendar year for activities described in paragraph (2) shall file a statement with the Commission—

''(A) on a monthly basis as described in subsection (a)(4)(B); or

''(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursement are made.

''(2) ACTIVITY.—The activity described in this paragraph is—

''(A) Federal election activity;

''(B) an activity described in section 316(b)(2)(A) that expresses support for or opposition to a candidate for Federal office or a political party; and

''(C) an activity described in subparagraph (B) or (C) of section 316(b)(2).

''(3) APPLICABILITY.—This subsection does not apply to—

''(A) a candidate or a candidate's authorized committees; or

''(B) an independent expenditure.

''(4) CONTENTS.—A statement under this section shall contain such information about the disbursements made during the reporting period as the Commission shall prescribe, including—

''(A) the aggregate amount of disbursements made;

''(B) the name and address of the person or entity to whom a disbursement is made in an aggregate amount in excess of $200;

''(C) the date made, amount, and purpose of the disbursement; and

''(D) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.''.

(b) DEFINITION OF GENERIC CAMPAIGN ACTIVITY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 201(b)) is further amended by adding at the end the following:

''(21) GENERIC CAMPAIGN ACTIVITY.—The term 'generic campaign activity' means an activity that promotes a political party and does not promote a candidate or non-Federal candidate.''

SEC. 308. CAMPAIGN ADVERTISING.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''Whenever'' and inserting ''Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever'';

(ii) by striking ''an expenditure'' and inserting ''a disbursement''; and

(iii) by striking ''direct''; and

(B) in paragraph (3), by inserting ''and permanent street address'' and ''name''; and

(2) by adding at the end the following:

''(c) Any printed communication described in subsection (a) shall—

''(1) be of sufficient type size to be clearly readable by the recipient of the communication;

''(2) be contained in a printed box set apart from the other contents of the communication; and

''(3) be printed with a reasonable degree of color contrast between the background and the printed statement.

''(d)(1) Any communication described in paragraphs (1) or (2) of subsection (a) which is transmitted through radio or television shall include, in addition to the requirements of that paragraph, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

''(2) If a communication described in paragraph (1) is transmitted through television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement that—

''(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

''(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.

''(e) Any communication described in paragraph (3) of subsection (a) which is transmitted through radio or television shall include, in addition to the requirements of that paragraph, in a clearly spoken manner, the following statement: 'XXXXXXX is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If transmitted through television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.''

TITLE IV—PERSONAL WEALTH OPTION

SEC. 401. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 101, is further amended by adding at the end the following new section:

''VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT

Sec. 324. (a) ELIGIBLE CONGRESSIONAL CANDIDATE.—

(1) PRIMARY ELECTION.—

''(A) DECLARATION.—A candidate for election for Senator or Representative in or Delegate or Resident Commissioner to the Congress is an eligible primary election Congressional candidate if the candidate files with the Commission a declaration that the candidate and the candidate's authorized committees will not make expenditures in excess of the personal funds expenditure limit.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than the date on which the candidate files with the appropriate State officer as a candidate for the primary election.

''(2) GENERAL ELECTION.—

''(A) DECLARATION.—A candidate for election for Senator or Representative in or Delegate or Resident Commissioner to the Congress is an eligible general election Congressional candidate if the candidate files with the Commission—

''(i) a declaration under penalty of perjury, with supporting documentation as required by the Commission, that the candidate and the candidate's authorized committees did not exceed the personal funds expenditure limit in connection with the primary election; and

''(ii) a declaration that the candidate and the candidate's authorized committees will not make expenditures in excess of the personal funds expenditure limit.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than 7 days after the earlier of—

''(i) the date on which the candidate qualifies for the general election ballot under State law; or

''(ii) if under State law, a primary or runoff election to qualify for the general ballot occurs after September 1, the date on which the candidate wins the primary or runoff election.

''(b) PERSONAL FUNDS EXPENDITURE LIMIT.—

''(1) IN GENERAL.—The aggregate amount of expenditures that may be made in connection with an election by an eligible Congressional candidate or the candidate's authorized committees from the sources described in paragraph (2) shall not exceed $50,000.

''(2) SOURCES.—A source is described in this paragraph if the source is—

''(A) personal funds of the candidate and members of the candidate's immediate family; or

''(B) proceeds of indebtedness incurred by the candidate or a member of the candidate's immediate family.

''(C) CERTIFICATION BY THE COMMISSION.—

''(1) IN GENERAL.—The Commission shall determine whether a candidate has met the requirements of this section and, based on the determination, issue a certification stating whether the candidate is an eligible Congressional candidate.

''(2) TIME FOR CERTIFICATION.—Not later than 7 business days after a candidate files a declaration under paragraph (1) or (2) of subsection (a), the Commission shall certify whether the candidate is an eligible Congressional candidate.

''(3) REVOCATION.—The Commission shall revoke a certification under paragraph (1), based on information submitted in such form and manner as the Commission may require or on information that comes to the Commission by other means, if the Commission determines that a candidate violates the personal funds expenditure limit.

''(4) DETERMINATIONS BY COMMISSION.—A determination made by the Commission under this subsection shall be final, except to the extent that the determination is subject to examination and audit by the Commission and to judicial review.

''(d) PENALTY.—If the Commission revokes the certification of an eligible Congressional candidate—

''(1) the Commission shall notify the candidate of the revocation; and

''(2) the candidate and a candidate's authorized committees shall pay to the Commission an amount equal to the amount of expenditures made by a national committee of a political party or a State committee of a political party in connection with the general election campaign of the candidate under section 315(d).''.

SEC. 402. POLITICAL PARTY COMMITTEE COORDINATED EXPENDITURES.

Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) (as amended by section 204) is amended by adding at the end the following:

''(5) This subsection does not apply to expenditures made in connection with the general election campaign of a candidate for Senator or Representative in or Delegate or Resident Commissioner to the Congress who is not an eligible Congressional candidate (as defined in section 324(a)).''.

TITLE V—MISCELLANEOUS

SEC. 501 CODIFICATION OF BECK DECISION.

Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end the following new subsection:

''(h) NONUNION MEMBER PAYMENTS TO LABOR ORGANIZATION.—

''(1) IN GENERAL.—It shall be an unfair labor practice for any labor organization which receives a payment from an employee pursuant to an agreement that requires employees who are not members of the organization to make payments to such organization in lieu of organization dues or fees not to establish and implement the objection procedure described in paragraph (2).

''(2) OBJECTION PROCEDURE:—The objection procedure required under paragraph (1) shall meet the following requirements:

''(A) The labor organization shall annually provide to employees who are covered by such agreement but are not members of the organization—

''(i) reasonable personal notice of the objection procedure, a list of the employees eligible to invoke the procedure, and the time, place, and manner for filing an objection; and

''(ii) reasonable opportunity to file an objection to paying for organization expenditures supporting political activities unrelated to collective bargaining, including but not limited to the opportunity to file such objection by mail.

''(B) If an employee who is not a member of the labor organization files an objection under the procedure in subparagraph (A), such organization shall—

''(i) reduce the payments in lieu of organization dues or fees by such employee by an amount which reasonably reflects the ratio that the organization's expenditures supporting political activities unrelated to collective bargaining bears to such organization's total expenditures; and

''(ii) provide such employee with a reasonable explanation of the organization's calculation of such reduction, including calculating the amount of organization expenditures supporting political activities unrelated to collective bargaining.

''(3) DEFINITION.—In this subsection, the term 'expenditures supporting political activities unrelated to collective bargaining' means expenditures in connection with a Federal, State, or local election or in connection with efforts to influence legislation unrelated to collective bargaining.''.

SEC. 502. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by striking section 313 and inserting the following:

''USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

''SEC. 313. (a) PERMITTED USES.—A contribution accepted by a candidate, and any other amount received by an individual as support for activities of the individual as a holder of Federal office, may be used by the candidate or individual—

''(1) for expenditures in connection with the campaign for Federal office of the candidate or individual;

''(2) for ordinary and necessary expenses incurred in connection with duties of the individual as a holder of Federal office;

''(3) for contributions to an organization described in section 170(c) of the Internal Revenue Code of 1986; or

''(4) for transfers to a national, State, or local committee of a political party.

''(b) PROHIBITED USE.—

''(1) IN GENERAL.—A contribution or amount described in subsection (a) shall not be converted by any person to personal use.

''(2) CONVERSION.—For the purposes of paragraph (1), a contribution or amount shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal officeholder, including—

''(A) a home mortgage, rent, or utility payment;

''(B) a clothing purchase;

''(C) a noncampaign-related automobile expense;

''(D) a country club membership;

''(E) a vacation or other noncampaign-related trip;

''(F) a household food item;

''(G) a tuition payment;

''(H) admission to a sporting event, concert, theater, or other form of entertainment not associated with an election campaign; and

''(I) dues, fees, and other payments to a health club or recreational facility.''.

SEC. 503. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6) of title 39, United States Code, is amended by striking subparagraph (A) and inserting the following:

''(A) A Member of Congress shall not mail any mass mailing as franked mail during the 180-day period which ends on the date of the general election for the office held by the Member or during the 90-day period which ends on the date of any primary election for that office, unless the Member has made a public announcement that the Member will not be a candidate for reelection during that year or for election to any other Federal office.''.

SEC. 504. PROHIBITION OF FUNDRAISING ON FEDERAL PROPERTY.

Section 607 of title 18, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—

''(1) IN GENERAL.—It shall be unlawful for any person to solicit or receive a donation of money or other thing of value in connection with a Federal, State, or local election from a person who is located in a room or building occupied in the discharge of official duties by an officer or employee of the United States. An individual who is an officer or employee of the Federal Government, including the President, Vice President, and Members of Congress, shall not solicit a donation of money or other thing of value in connection with a Federal, State, or local election while in any room or building occupied in the discharge of official duties by an officer or employee of the United States, from any person.

''(2) PENALTY.—A person who violates this section shall be fined not more than $5,000, imprisoned more than 3 years, or both.''; and

(2) in subsection (b), by inserting ''or Executive Office of the President'' after ''Congress''.

SEC. 505. PENALTIES FOR VIOLATIONS.

(a) INCREASED PENALTIES.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) in paragraphs (5)(A), (6)(A), and (6)(B), by striking ''$5,000'' and inserting ''$10,000''; and

(2) in paragraphs (5)(B) and (6)(C), by striking ''$10,000 or an amount equal to 200 percent'' and inserting ''$20,000 or an amount equal to 300 percent''.

(b) EQUITABLE REMEDIES.—Section 309(a)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking the period at the end and inserting '', and may include equitable remedies or penalties, including disgorgement of funds to the Treasury or community service requirements (including requirements to participate in public education programs).''.

(c) AUTOMATIC PENALTY FOR LATE FILING.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following:

''(13) PENALTY FOR LATE FILING.—

''(A) IN GENERAL.—

''(i) MONETARY PENALTIES.—The Commission shall establish a schedule of mandatory monetary penalties that shall be imposed by the Commission for failure to meet a time requirement for filing under section 304.

''(ii) REQUIRED FILING.—In addition to imposing a penalty, the Commission may require a report that has not been filed within the time requirements of section 304 to be filed by specific date.

''(iii) PROCEDURE.—A penalty or filing requirement imposed under this paragraph shall not be subject to paragraph (1), (2), (3), (4), (5), or (12).

''(B) FILING AN EXCEPTION.—

''(i) TIME TO FILE.—A political committee shall have 30 days after the imposition of a penalty or filing requirement by the Commission under this paragraph in which to file an exception with the Commission.

''(ii) TIME FOR COMMISSION TO RULE.—Within 30 days after receiving an exception, the Commission shall make a determination that is a final agency action subject to exclusive review by the United States Court of Appeals for the District of Columbia Circuit under section 706 of title 5, United States Code, upon petition filed in that court by the political committee or treasurer that is the subject of the agency action, if the petition is filed within 30 days after the date of the Commission action for which review is sought.'';

(2) in paragraph (5)(D)—

(A) by inserting after the first sentence the following: ''In any case in which a penalty or filing requirement imposed on a political committee or treasurer under paragraph (13) has not been satisfied, the Commission may institute a civil action for enforcement under paragraph (6)(A).''; and

(B) by inserting before the period at the end of the last sentence the following: ''or has failed to pay a penalty or meet a filing requirement imposed under paragraph (13)''; and

(3) in paragraph (6)(A), by striking ''paragraph (4)(A)'' and inserting ''paragraph (4)(A) or (13)''.

SEC. 506. STRENGTHENING FOREIGN MONEY BAN.

(a) IN GENERAL.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by striking the heading and inserting the following: ''CONTRIBUTIONS AND DONATIONS BY FOREIGN NATIONALS''; and

(2) by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—It shall be unlawful for—

''(1) a foreign national, directly or indirectly, to make—

''(A) a donation of money or other thing of value, or to promise expressly or impliedly to make a donation, in connection with a Federal, State, or local election; or

''(B) a contribution or donation to a committee of a political party; or

''(2) a person to solicit, accept, or receive such a contribution or donation from a foreign national.''.

(b) PROHIBITING USE OF WILLFUL BLINDNESS AS DEFENSE AGAINST CHARGE OF VIOLATING FOREIGN CONTRIBUTION BAN.—

(1) IN GENERAL.—Section 319 of such Act (2 U.S.C. 441(e) is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection.—

''(b) PROHIBITING USE OF WILLFUL BLINDNESS DEFENSE.—It shall not be a defense to a violation of subsection (a) that the defendant did not know that the contribution originated from a foreign national if the defendant should have known that the contribution originated from a foreign national, except that the trier of fact may not find that the defendant should have known that the contribution originated from a foreign national solely because of the name of the contributor.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to violations occurring on or after the date of the enactment of this Act.

SEC. 507. PROHIBITION OF CONTRIBUTIONS BY MINORS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101 and 401, is further amended by adding at the end the following new section.—

''PROHIBITION OF CONTRIBUTIONS BY MINORS

''SEC. 325. An individual who is 17 years old or younger shall not make a contribution to a candidate or a contribution or donation to a committee of a political party.''.

SEC. 508. EXPEDITED PROCEDURES.

(a) IN GENERAL.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) (as amended by section 505(c)) is amended by adding at the end the following.—

''(14)(A) If the complaint in a proceeding was filed within 60 days preceding the date of a general election, the Commission may take action described in this subparagraph.

''(B) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that there is clear and convincing evidence that a violation of this Act has occurred, is occurring, or is about to occur, the Commission may order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties.

''(C) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

''(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

''(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.''.

(b) REFERRAL TO ATTORNEY GENERAL.—Section 309(a)(5) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking subparagraph (C) and inserting the following.—

''(C) The Commission may at any time, by an affirmative vote of at least 4 of its members, refer a possible violation of this Act or chapter 95 or 96 of the Internal Revenue Code of 1986, to the Attorney General of the United States, without regard to any limitation set forth in this section.''.

SEC. 509. INITIATION OF ENFORCEMENT PROCEEDING.

Section 309(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(2)) is amended by striking ''reason to believe that'' and inserting ''reason to investigate whether''.

SEC. 510. PROTECTING EQUAL PARTICIPATION OF ELIGIBLE VOTERS IN CAMPAIGNS AND ELECTIONS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, and 507, is further amended by adding at the end the following new section.—

''PROTECTING EQUAL PARTICIPATION OF ELIGIBLE VOTERS IN CAMPAIGNS AND ELECTIONS

''SEC. 326. (a) IN GENERAL.—Nothing in this Act may be construed to prohibit any individual eligible to vote in an election for Federal office from making contributions or expenditures in support of a candidate for such an election (including voluntary contributions or expenditures made through a separate segregated fund established by the individual's employer or labor organization) or otherwise participating in any campaign for such an election in the same manner and to the same extent as any other individual eligible to vote in an election for such office.

''(b) NO EFFECT ON GEOGRAPHIC RESTRICTIONS ON CONTRIBUTIONS.—Subsection (a) may not be construed to affect any restriction under this title regarding the portion of contributions accepted by a candidate from persons residing in a particular geographic area.''.

SEC. 511. PENALTY FOR VIOLATION OF PROHIBITION AGAINST FOREIGN CONTRIBUTIONS.

(a) IN GENERAL.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e), as amended by section 506(b), is further amended—

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

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

''(c) PENALTY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), notwithstanding any other provision of this title any person who violates subsection (a) shall be sentenced to a term of imprisonment which may not be more than 10 years, fined in an amount not to exceed $1,000,000, or both.

''(2) EXCEPTION.—Paragraph (1) shall not apply with respect to any violation of subsection (a) arising from a contribution or donation made by an individual who is lawfully admitted for permanent residence (as defined in section 101(a)(22) of the Immigration and Nationality Act).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring on or after the date of the enactment of this Act.

SEC. 512. EXPEDITED COURT REVIEW OF CERTAIN ALLEGED VIOLATIONS OF FEDERAL ELECTION CAMPAIGN ACT OF 1971.

(a) IN GENERAL.—Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended—

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

(2) by inserting after subsection (c) the following new subsection:

''(d) Notwithstanding any other provision of this section, if a candidate (or the candidate's authorized committee) believes that a violation described in paragraph (2) has been committed with respect to an election

during the 90-day period preceding the date of the election, the candidate or committee may institute a civil action on behalf of the Commission for relief (including injunctive relief) against the alleged violator in the same manner and under the same terms and conditions as an action instituted by the Commission under subsection (a)(6), except that the court involved shall issue a decision regarding the action as soon as practicable after the action is instituted and to the greatest extent possible issue the decision prior to the date of the election involved.

''(2) A violation described in this paragraph is a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986 relating to—

''(A) whether a contribution is in excess of an applicable limit or is otherwise prohibited under this Act; or

''(B) whether an expenditure is an independent expenditure under section 301(17).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to elections occurring after the date of the enactment of this Act.

SEC. 513. CONSPIRACY TO VIOLATE PRESIDENTIAL CAMPAIGN SPENDING LIMITS.

(a) IN GENERAL.—Section 9003 of the Internal Revenue Code of 1986 (26 U.S.C. 9003) is amended by adding at the end the following new subsection:

''(g) PROHIBITING CONSPIRACY TO VIOLATE LIMIT.—

''(1) VIOLATION OF LIMITS DESCRIBED.—If a candidate for election to the office of President or Vice President who receives amounts from the Presidential Election Campaign Fund under chapter 95 or 96 of the Internal Revenue Code of 1986, or the agent of such a candidate, seeks to avoid the spending limits applicable to the candidate under such chapter or under the Federal Election Campaign Act of 1971 by soliciting, receiving, transferring, or directing funds from any source other than such Fund for the direct or indirect benefit of such candidate's campaign, such candidate or agent shall be fined not more than $1,000,000, or imprisoned for a term of no more than 3 years, or both.

''(2) CONSPIRACY TO VIOLATE LIMITS DEFINED.—If two or more persons conspire to violate paragraph (1), and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined not more than $1,000,000, or imprisoned for a term of not more than 3 years, or both.''.

EFFECTIVE DATE.—The amendment made by this section shall apply with respect to elections occurring on or after the date of the enactment of this Act.

SEC. 514. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

''(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, 507, and 510, is further amended by adding at the end the following new section:

''TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

''SEC. 327. (a) TRANSFER TO COMMISSION.—

''(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

''(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

''(B) the contribution or donation was made in violation of section 315, 316, 317, 319, 320, or 325 (other than a contribution or donation returned within 30 days of receipt by the committee).

''(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

''(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

''(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

''(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

''(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

''(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

''(i) deposit the amount in the escrow account established under subparagraph (A); and

''(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

''(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

''(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

''(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code, against the person making the contribution or donation.

''(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

''(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

''(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to investigate whether that the making of the contribution or donation was made in violation of this Act; or

''(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

''(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

''(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.''

''(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph.—

''(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 326, the amount of the donation involved shall be treated as the amount of the contribution involved.''

(c) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

''(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 326.''.

''(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 326 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

SEC. 515. ESTABLISHMENT OF A CLEARINGHOUSE OF INFORMATION ON POLITICAL ACTIVITIES WITHIN THE FEDERAL ELECTION COMMISSION.

(a) ESTABLISHMENT.—There shall be established within the Federal Election Commission a clearinghouse of public information regarding the political activities of foreign principals and agents of foreign principals. The information comprising this clearinghouse shall include only the following:

(1) All registrations and reports filed pursuant to the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) during the preceding 5-year period.

(2) All registrations and reports filed pursuant to the Foreign Agents Registration Act, as amended (22 U.S.C. 611 et seq.), during the preceding 5-year period.

(3) The listings of public hearings, hearing witnesses, and witness affiliations printed in the Congressional Record during the preceding 5-year period.

(4) Public information disclosed pursuant to the rules of the Senate or the House of Representatives regarding honoraria, the receipt of gifts, travel, and earned and unearned income.

(5) All reports filed pursuant to title I of the Ethics in Government Act of 1978 (5 U.S.C. App.) during the preceding 5-year period.

(6) All public information filed with the Federal Election Commission pursuant to the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) during the preceding 5-year period.

(b) DISCLOSURE OF OTHER INFORMATION PROHIBITED.—The disclosure by the clearinghouse, or any officer or employee thereof, of any information other than that set forth in subsection (a) is prohibited, except as otherwise provided by law.

(c) DIRECTOR OF CLEARINGHOUSE.—

(1) DUTIES.—The clearinghouse shall have a Director, who shall administer and manage the responsibilities and all activities of the clearinghouse. In carrying out such duties, the Director shall—

(A) develop a filing, coding, and cross-indexing system to carry out the purposes of this section (which shall include an index of all persons identified in the reports, registrations, and other information comprising the clearinghouse);

(B) notwithstanding any other provision of law, make copies of registrations, reports, and other information comprising the clearinghouse available for public inspection and

coping, beginning not later than 30 days after the information is first available to the public, and permit copying of any such registration, report, or other information by hand or by copying machine or, at the request of any person, furnish a copy of any such registration, report, or other information upon payment of the cost of making and furnishing such copy, except that no information contained in such registration or report and no such other information shall be sold or used by any person for the purpose of soliciting contributions or for any profitmaking purpose; and

(C) not later than 150 days after the date of the enactment of this Act and at any time thereafter, to prescribe, in consultation with the Comptroller General, such rules, regulations, and forms, in conformity with the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this section in the most effective and efficient manner.

(2) APPOINTMENT.—The Director shall be appointed by the Federal Election Commission.

(3) TERM OF SERVICE.—The Director shall serve a single term of a period of time determined by the Commission, but not to exceed 5 years.

(d) PENALTIES FOR DISCLOSURE OF INFORMATION.—Any person who discloses information in violation of subsection (b), and any person who sells or uses information for the purpose of soliciting contributions or for any profitmaking purpose in violation of subsection (c)(1)(B), shall be imprisoned for a period of not more than 1 year, or fined in the amount provided in title 18, United States Code, or both.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to conduct the activities of the clearinghouse.

(f) FOREIGN PRINCIPAL.—In this section, the term ''foreign principal'' shall have the same meaning given the term ''foreign national'' under section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e), as in effect as of the date of the enactment of this Act.

SEC. 516. ENFORCEMENT OF SPENDING LIMIT ON PRESIDENTIAL AND VICE PRESIDENTIAL CANDIDATES WHO RECEIVE PUBLIC FINANCING.

(a) IN GENERAL.—Section 9003 of the Internal Revenue Code of 1986 (26 U.S.C. 9003) is amended by adding at the end the following new subsection.—

''(f) ILLEGAL SOLICITATION OF SOFT MONEY.—No candidate for election to the office of President or Vice President may receive amounts from the Presidential Election Campaign Fund under this chapter or chapter 96 unless the candidate certifies that the candidate shall not solicit any funds for the purposes of influencing such election, including any funds used for an independent expenditure under the Federal Election Campaign Act of 1971, unless the funds are subject to the limitations, prohibitions, and reporting requirements of the Federal Election Campaign Act of 1971.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to elections occurring on or after the date of the enactment of this Act.

SEC. 517. CLARIFICATION OF RIGHT OF NATIONALS OF THE UNITED STATES TO MAKE POLITICAL CONTRIBUTIONS.

Section 319(d)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e(d)(2)), as amended by sections 506(b) and 511(a), is further amended by inserting after ''United States'' the following: ''or a national of the United States (as defined in section 101(a)(22) of the Immigration and Nationality Act)''.

TITLE VI—INDEPENDENT COMMISSION ON CAMPAIGN FINANCE REFORM

SEC. 601. ESTABLISHMENT AND PURPOSE OF COMMISSION.

There is established a commission to be known as the ''Independent Commission on Campaign Finance Reform'' (referred to in this title as the ''Commission''). The purposes of the Commission are to study the laws relating to the financing of political activity and to report and recommend legislation to reform those laws.

SEC. 602. MEMBERSHIP OF COMMISSION.

(a) COMPOSITION.—The Commission shall be composed of 12 members appointed within 15 days after the date of the enactment of this Act by the President from among individuals who are not incumbent Members of Congress and who are specially qualified to serve on the Commission by reason of education, training, or experience.

(b) APPOINTMENT.—

(1) IN GENERAL.—Members shall be appointed as follows.—

(A) Three members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the Speaker of the House of Representatives.

(B) Three members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the majority leader of the Senate.

(C) Three members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the minority leader of the House of Representatives.

(D) Three members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the minority leader of the Senate.

(2) FAILURE TO SUBMIT LIST OF NOMINEES.—If an official described in any of the subparagraphs of paragraph (1) fails to submit a list of nominees to the President during the 15-day period which begins on the date of the enactment of this Act—

(A) such subparagraph shall no longer apply; and

(B) the President shall appoint three members (one of whom shall be a political independent) who meet the requirements described in subsection (a) and such other criteria as the President may apply.

(3) POLITICAL INDEPENDENT DEFINED.—In this subsection, the term ''political independent'' means an individual who at no time after January 1992—

(A) has held elective office as a member of the Democratic or Republican party;

(B) has received any wages or salary from the Democratic or Republican party or from a Democratic or Republican party office-holder or candidate; or

(C) has provided substantial volunteer services or made any substantial contribution to the Democratic or Republican party or to a Democratic or Republican party office-holder or candidate.

(c) CHAIRMAN.—At the time of the appointment, the President shall designate one member of the Commission as Chairman of the Commission.

(d) TERMS.—The members of the Commission shall serve for the life of the Commission.

(e) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(f) POLITICAL AFFILIATION.—Not more than four members of the Commission may be of the same political party.

SEC. 603. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this title, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate. In carrying out the preceding sentence, the Commission shall ensure that a substantial number of its meetings are open meetings, with significant opportunities for testimony from members of the general public.

(b) QUORUM.—Seven members of the Commission shall constitute a quorum, but a lesser number may hold hearings. The approval of at least nine members of the Commission is required when approving all or a portion of the recommended legislation. Any member of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this section.

SEC. 604. ADMINISTRATIVE PROVISIONS.

(a) PAY AND TRAVEL EXPENSES OF MEMBERS.—(1) Each member of the Commission shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(2) Members of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(b) STAFF DIRECTOR.—The Commission shall, without regard to section 5311(b) of title 5, United States Code, appoint a staff director, who shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(c) STAFF OF COMMISSION; SERVICE.—

(1) IN GENERAL.—With the approval of the Commission, the staff director of the Commission may appoint and fix the pay of additional personnel. The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the maximum annual rate of basic pay payable for grade GS–15 of the General Schedule under section 5332 of title 5, United States Code.

(2) EXPERTS AND CONSULTANTS.—The Commission may procure by contract the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

SEC. 605. REPORT AND RECOMMENDED LEGISLATION.

(a) REPORT.—Not later than the expiration of the 180-day period which begins on the date on which the second session of the One Hundred Sixth Congress adjourns sine die, the Commission shall submit to the President, the Speaker and minority leader of the House of Representatives, and the majority and minority leaders of the Senate a report of the activities of the Commission.

(b) RECOMMENDATIONS; DRAFT OF LEGISLATION.—The report under subsection (a) shall include any recommendations for changes in the laws (including regulations) governing the financing of political activity (taking into account the provisions of this Act and the amendments made by this Act), including any changes in the rules of the Senate or the House of Representatives, to which nine or more members of the Commission may agree, together with drafts of—

(1) any legislation (including technical and conforming provisions) recommended by the Commission to implement such recommendations; and

(2) any proposed amendment to the Constitution recommended by the Commission as necessary to implement such recommendations, except that if the Commission includes such a proposed amendment in its report, it shall also include recommendations (and drafts) for legislation which may be implemented prior to the adoption of such proposed amendment.

(c) GOALS OF RECOMMENDATIONS AND LEGISLATION.—In making recommendations and preparing drafts of legislation under this section, the Commission shall consider the following to be its primary goals:

(1) Encouraging fair and open Federal elections which provide voters with meaningful information about candidates and issues.

(2) Eliminating the disproportionate influence of special interest financing of Federal elections.

(3) Creating a more equitable electoral system for challengers and incumbents.

SEC. 606. EXPEDITED CONGRESSIONAL CONSIDERATION OF LEGISLATION.

(a) IN GENERAL.—If any legislation is introduced the substance of which implements a recommendation of the Commission submitted under section 605(b) (including a joint resolution proposing an amendment to the Constitution), subject to subsection (b), the provisions of section 2908 (other than subsection (a)) of the Defense Base Closure and Realignment Act of 1990 shall apply to the consideration of the legislation in the same manner as such provisions apply to a joint resolution described in section 2908(a) of such Act.

(b) SPECIAL RULES.—For purposes of applying subsection (a) with respect to such provisions, the following rules shall apply:

(1) Any reference to the Committee on Armed Services of the House of Representatives shall be deemed a reference to the Committee on House Oversight of the House of Representatives and any reference to the Committee on Armed Services of the Senate shall be deemed a reference to the Committee on Rules and Administration of the Senate.

(2) Any reference to the date on which the President transmits a report shall be deemed a reference to the date on which the recommendation involved is submitted under section 605(b).

(3) Notwithstanding subsection (d)(2) of section 2908 of such Act—

(A) debate on the legislation in the House of Representatives, and on all debatable motions and appeals in connection with the legislation, shall be limited to not more than 10 hours, divided equally between those favoring and those opposing the legislation;

(B) debate on the legislation in the Senate, and on all debatable motions and appeals in connection with the legislation, shall be limited to not more than 10 hours, divided equally between those favoring and those opposing the legislation; and

(C) debate in the Senate on any single debatable motion and appeal in connection with the legislation shall be limited to not more than 1 hour, divided equally between the mover and the manager of the bill (except that in the event the manager of the bill is in favor of any such motion of appeal, the time in opposition thereto shall be controlled by the minority leader or his designee), and the majority and minority leader may each allot additional time from time under such leader's control to any Senator during the consideration of any debatable motion or appeal.

SEC. 607. TERMINATION

The Commission shall cease to exist 90 days after the date of the submission of its report under section 605.

SEC. 608. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission such sums as are necessary to carry out its duties under this title.

TITLE VII—PROHIBITING USE OF WHITE HOUSE MEALS AND ACCOMMODATIONS FOR POLITICAL FUNDRAISING

SEC. 701. PROHIBITING USE OF WHITE HOUSE MEALS AND ACCOMMODATIONS FOR POLITICAL FUNDRAISING.

(a) IN GENERAL.—Chapter 29 of title 18, United States code, is amended by adding at the end the following new section:

''612. Prohibiting use of meals and accommodations at White House for political fundraising

''(a) It shall be unlawful for any person to provide or offer to provide any meals or accommodations at the White House in exchange for any money or other thing of value, or as a reward for the provision of any money or other thing of value, in support of any political party of the campaign for electoral office of any candidate.

''(b) Any person who violates this section shall be fined under this title or imprisoned not more than 3 years, or both.

''(c) For purposes of this section, any official residence or retreat of the President (including private residential areas and the grounds of such a residence or retreat) shall be treated as part of the White House.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end the following new item:

''612. Prohibiting use of meals and accommodations at White House for political fundraising.''.

TITLE VIII—SENSE OF THE CONGRESS REGARDING FUNDRAISING ON FEDERAL GOVERNMENT PROPERTY

SEC. 801. SENSE OF THE CONGRESS REGARDING APPLICABILITY OF CONTROLLING LEGAL AUTHORITY TO FUNDRAISING ON FEDERAL GOVERNMENT PROPERTY.

It is the sense of the Congress that Federal law clearly demonstrates that 'controlling legal authority' under title 18, United States Code, prohibits the use of Federal Government property to raise campaign funds.

TITLE IX—PROHIBITING SOLICITATION TO OBTAIN ACCESS TO CERTAIN FEDERAL GOVERNMENT PROPERTY

SEC. 901. PROHIBITION AGAINST ACCEPTANCE OR SOLICITATION TO OBTAIN ACCESS TO CERTAIN FEDERAL GOVERNMENT PROPERTY.

(a) IN GENERAL.—Chapter 11 of title 18, United States Code, is amended by adding at the end the following new section:

''226. Acceptance or solicitation to obtain access to certain Federal Government property

''Whoever solicits or receives anything of value in consideration of providing a person with access to Air Force One, Marine One, Air Force Two, Marine Two, the White House, or the Vice President's residence, shall be fined under this title, or imprisoned not more than one year, or both.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 18, United States Code, is amended by adding at the end the following new item:

''226. Acceptance or solicitation to obtain access to certain Federal Government property.''.

TITLE X—REIMBURSEMENT FOR USE OF GOVERNMENT PROPERTY FOR CAMPAIGN ACTIVITY

SEC. 1001. REQUIRING NATIONAL PARTIES TO REIMBURSE AT COST FOR USE OF AIR FORCE ONE FOR POLITICAL FUNDRAISING.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), an amended by sections 101, 401, 507, 510, and 515, is further amended by adding at the end the following new section:

''REIMBURSEMENT BY POLITICAL PARTIES FOR USE OF AIR FORCE ONE FOR POLITICAL FUNDRAISING

''SEC. 328. (a) IN GENERAL. If the President, Vice President, or the head of any executive department (as defined in section 101 of title 5, United States Code) uses Air Force One for transportation for any travel which includes a fundraising event for the benefit of any political committee of a national political party, such political committee shall reimburse the Federal Government for the fair market value of the transportation of the individual involved, based on the cost of an equivalent commercial chartered flight.

''(b) AIR FORCE ONE DEFINED.—In subsection (a), the term 'Air Force One' means the airplane operated by the Air Force which has been specially configured to carry out the mission of transporting the President.''.

TITLE XI—PROHIBITING USE OF WALKING AROUND MONEY

SEC. 1101. PROHIBITING CAMPAIGNS FROM PROVIDING CURRENCY TO INDIVIDUALS FOR PURPOSES OF ENCOURAGING TURNOUT ON DATE OF ELECTION.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, 507, 510, 515, and 1001, is further amended by adding at the end the following new section:

''PROHIBITING USE OF CURRENCY TO PROMOTE ELECTION DAY TURNOUT

''SEC. 329. It shall be unlawful for any political committee to provide currency to any individual (directly or through an agent of the committee) for purposes of encouraging the individual to appear at the polling place for the election.''.

TITLE XII—ENHANCING ENFORCEMENT OF CAMPAIGN LAW

SEC. 1201. ENHANCING ENFORCEMENT OF CAMPAIGN FINANCE LAW.

(a) MANDATORY IMPRISONMENT FOR CRIMINAL CONDUCT.—Section 309(d)(1)(A) of the Federal Election Campaign Act of 1971'' (2 U.S.C. 437g(d)(1)(A)) is amended—

(1) in the first sentence, by striking ''shall be fined, or imprisoned for not more than one year, or both'' and inserting ''shall be imprisoned for not fewer than 1 year and not more than 10 years''; and

(2) by striking the second sentence.

(b) CONCURRENT AUTHORITY OF ATTORNEY GENERAL TO BRING CRIMINAL ACTIONS.—Section 309(d) of such Act (2 U.S.C. 437g(d)) is amended by adding at the end the following new paragraph:

''(4) In addition to the authority to bring cases referred pursuant to subsection (a)(5), the Attorney General may at any time bring a criminal action for a violation of this Act or of chapter 95 chapter 96 of the Internal Revenue Code of 1986.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to actions brought with respect to elections occurring after January 1999.

TITLE XIII—BAN ON COORDINATED SOFT MONEY ACTIVITIES BY PRESIDENTIAL CANDIDATES

SEC. 1301. BAN ON COORDINATION OF SOFT MONEY FOR ISSUE ADVOCACY BY PRESIDENTIAL CANDIDATES RECEIVING PUBLIC FINANCING.

(a) IN GENERAL.—Section 9003 of the Internal Revenue Code of 1986 (26 U.S.C. 9003) is amended by adding at the end the following new subsection.

''(f) BAN ON COORDINATION OF SOFT MONEY FOR ISSUE ADVOCACY.—

''(1) IN GENERAL.—No candidate for election to the office of President or Vice President who is certified to receive amounts from the Presidential Election Fund under this chapter or chapter 96 may coordinate the expenditure of any funds for issue advocacy with

any political party unless the funds are subject to the limitations, prohibitions, and reporting requirements of the Federal Election Campaign Act of 1971.

''(2) ISSUE ADVOCACY DEFINED.—In this section, the term 'issue advocacy' means any activity carried out for the purpose of influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations (without regard to whether the activity is carried out for the purpose of influencing any election for Federal office).''.

EFFECTIVE DATE.—The amendment made by this section shall apply with respect to elections occurring on or after the date of the enactment of this Act.

TITLE XIV—POSTING NAMES OF CERTAIN AIR FORCE ONE PASSENGERS ON INTERNET

SEC. 1401. REQUIREMENT THAT NAMES OF PASSENGERS ON AIR FORCE ONE AND AIR FORCE TWO BE MADE AVAILABLE THROUGH THE INTERNET.

(a) IN GENERAL.—The President shall make available through the Internet the name of any non-Government person who is a passenger on an aircraft designated as Air Force One or Air Force Two not later than 30 days after the date that the person is a passenger on such aircraft.

(b) EXCEPTION.—Subsection (a) shall not apply in a case in which the President determines that compliance with such subsection would be contrary to the national security interests of the United States. In any such case, not later than 30 days after the date that the person whose name will not be made available through the Internet was a passenger on the aircraft, the President shall submit to the chairman and ranking member of the Permanent Select Committee on Intelligence of the House of Representatives and of the Select Committee on Intelligence of the Senate—

(1) the name of the person; and

(2) the justification for not making such name available through the Internet.

(c) DEFINITION OF PERSON.—As used in this Act, the term ''non-Government person'' means a person who is not an officer or employee of the United States, a member of the Armed Forces, or a Member of Congress.

TITLE XV—EXPULSION PROCEEDINGS F0R HOUSE MEMBERS RECEIVING FOREIGN CONTRIBUTIONS

SEC. 1501. PERMITTING CONSIDERATION OF PRIVILEGED MOTION TO EXPEL HOUSE MEMBER ACCEPTING ILLEGAL FOREIGN CONTRIBUTION.

(a) IN GENERAL.—If a Member of the House of Representatives is convicted of a violation of section 319 of the Federal Election Campaign Act of 1971 (or any successor provision prohibiting the solicitation, receipt, or acceptance of a contribution from a foreign national), the Committee on Standards of Official Conduct, shall immediately consider the conduct of the Member and shall make a report and recommendations to the House forthwith concerning that Member which may include a recommendation for expulsion.

(b) EXERCISE OF RULEMAKING AUTHORITY.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives, and as such it is deemed a part of the rules of the House of Representatives, and it supersedes other rules only to the extent that it is inconsistent therewith; and

(2) with full recognition of the constitutional right of the House of Representatives to change the rule at any time, in the same manner and to the same extent as in the case of any other rule of the House of Representatives.

TITLE XVI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

SEC. 1601. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 1602. REVIEW OF CONSTITUTIONAL ISSUES.

An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any Court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

SEC. 1603. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect upon the expiration of the 90-day period which begins on the date of the enactment of this Act.

SEC. 1604. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act and the amendments made by this Act not later than 45 days after the date of the enactment of this Act.

SEC. DISCLOSURE REQUIREMENTS FOR CERTAIN MONEY EXPENDITURES OF POLITICAL PARTIES.

(a) TRANSFERS OF FUNDS BY NATIONAL POLITICAL PARTIES.—Section 304(b)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended—

(1) by striking ''and'' at the end of subparagraph (H);

(2) by adding ''and'' at the end of subparagraph (I); and

(3) by adding at the end the following new subparagraph:

''(J) in the case of a political committee of a national political party, all funds transferred to any political committee of a State or local political party, without regard to whether or not the funds are otherwise treated as contributions or expenditures under this title;''.

(b) DISCLOSURE BY STATE AND LOCAL POLITICAL PARTIES OF INFORMATION, REPORTED UNDER STATE LAW.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by section 4, is amended by adding at the end the following:

''(e) If a political committee of a State or local political party is required under a State or local law to submit a report to an entity of State or local government regarding its disbursements, the committee shall file a copy of the report with the Commission at the same time it submits the report to such entity.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to elections occurring after January 2001.

SEC. . PROMOTING EXPEDITED AVAILABILITY OF FEC REPORTS.

(a) MANDATORY ELECTRONIC FILING.—Section 304(a)(11)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(11)(A)) is amended by striking ''permit reports required by'' and inserting ''require reports under.''

(b) REQUIRING REPORTS FOR ALL CONTRIBUTIONS MADE TO ANY POLITICAL COMMITTEE WITHIN 90 DAYS OF ELECTION; REQUIRING REPORTS TO BE MADE WITHIN 24 HOURS.—Section 304(a)(6) of Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(6)) is amended to read as follows:

''(6)(A) Each political committee shall notify the Secretary or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution received by the committee during the period which begins on the 90th day before an election and ends at the time the polls close for such election. This notification shall be made within 24 hours (or, if earlier, by midnight of the day on which the contribution is deposited) after the receipt of such contribution and shall include the name of the candidate involved (as appropriate) and the office sought by the candidate, the identification of the contributor, and the date of receipt and amount of the contribution.

''(B) The notification required under this paragraph shall be in addition to all other reporting requirements under this Act.''.

(c) INCREASING ELECTRONIC DISCLOSURE.—Section 304 of Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)), as amended by section 6(b), is amended by adding at the end the following:

''(f) The Commission shall make the information contained in the reports submitted under this section available on the Internet and publicly available at the offices of the Commission as soon as practicable (but in no case later than 24 hours) after the information is received by the Commission.''.

(d) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to reports for periods beginning on or after January 2, 2001.

AMENDMENT NO. 2376

At the appropriate place insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Bipartisan Campaign Finance Reform Act of 1999''.

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

Sec. 1. Short title; table of contents.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

Sec. 101. Soft money of political parties.
Sec. 102. Increased contribution limits for State committees of political parties and aggregate contribution limit for individuals.
Sec. 103. Reporting requirements.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

Sec. 201. Definitions.
Sec. 202. Express advocacy determined without regard to background music.
Sec. 203. Civil penalty.
Sec. 204. Reporting requirements for certain independent expenditures.
Sec. 205. Independent versus coordinated expenditures by party.
Sec. 206. Coordination with candidates.

TITLE III—DISCLOSURE

Sec. 301. Filing of reports using computers and facsimile machines.
Sec. 302. Prohibition of deposit of contributions with incomplete contributor information.
Sec. 303. Audits.
Sec. 304. Reporting requirements for contributions of $50 or more.
Sec. 305. Use of candidates' names.
Sec. 306. Prohibition of false representation to solicit contributions.
Sec. 307. Soft money of persons other than political parties.
Sec. 308. Campaign advertising.

TITLE IV—PERSONAL WEALTH OPTION

Sec. 401. Voluntary personal funds expenditure limit.
Sec. 402. Political party committee coordinated expenditures.

TITLE V—MISCELLANEOUS

Sec. 501. Codification of Beck decision.

Sec. 502. Use of contributed amounts for certain purposes.
Sec. 503. Limit on congressional use of the franking privilege.
Sec. 504. Prohibition of fundraising on Federal property.
Sec. 505. Penalties for violations.
Sec. 506. Strengthening foreign money ban.
Sec. 507. Prohibition of contributions by minors.
Sec. 508. Expedited procedures.
Sec. 509. Initiation of enforcement proceeding.
Sec. 510. Protecting equal participation of eligible voters in campaigns and elections.
Sec. 511. Penalty for violation of prohibition against foreign contributions.
Sec. 512. Expedited court review of certain alleged violations of Federal Election Campaign Act of 1971.
Sec. 513. Conspiracy to violate presidential campaign spending limits.
Sec. 514. Deposit of certain contributions and donations in Treasury account.
Sec. 515. Establishment of a clearinghouse of information on political activities within the Federal Election Commission.
Sec. 516. Enforcement of spending limit on presidential and vice presidential conditions who received public financing.
Sec. 517. Clarification of right of nationals of the United States to make political contributions.

TITLE VI—INDEPENDENT COMMISSION ON CAMPAIGN FINANCE REFORM

Sec. 601. Establishment and purpose of Commission.
Sec. 602. Membership of Commission.
Sec. 603. Powers of Commission.
Sec. 604. Administrative provisions.
Sec. 605. Report and recommended legislation.
Sec. 606. Expedited congressional consideration of legislation.
Sec. 607. Termination.
Sec. 608. Authorization of appropriations.

TITLE VII—PROHIBITING USE OF WHITE HOUSE MEALS AND ACCOMMODATIONS FOR POLITICAL FUNDRAISING

Sec. 701. Prohibiting use of White House means and accommodations for political fundraising.

TITLE VIII—SENSE OF THE CONGRESS REGARDING FUNDRAISING ON FEDERAL GOVERNMENT PROPERTY

Sec. 801. Sense of the Congress regarding applicability of controlling legal authority of fundraising on Federal government property.

TITLE IX—PROHIBITING SOLICITATION TO OBTAIN ACCESS TO CERTAIN FEDERAL GOVERNMENT PROPERTY

Sec. 901. Prohibition against acceptance or solicitation to obtain access to certain Federal government property.

TITLE X—REIMBURSEMENT FOR USE OF GOVERNMENT PROPERTY FOR CAMPAIGN ACTIVITY

Sec. 1001. Requiring national parties to reimburse at cost for use of Air Force One for political fundraising.

TITLE XI—PROHIBITING USE OF WALKING AROUND MONEY

Sec. 1101. Prohibiting campaigns from providing currently to individuals for purposes of encouraging turnout on date of election.

TITLE XII—ENHANCING ENFORCEMENT OF CAMPAIGN LAW

Sec. 1201. Enhancing enforcement of campaign finance law.

TITLE XIII—BAN ON COORDINATED SOFT MONEY ACTIVITIES BY PRESIDENTIAL CANDIDATES

Sec. 1301. Ban on coordination of soft money for issue advocacy by presidential candidates receiving public financing.

TITLE XIV—POSTING NAMES OF CERTAIN AIR FORCE ONE PASSENGERS ON INTERNET

Sec. 1401. Requirement that names of passengers on Air Force One and Air Force Two be made available through the Internet.

TITLE XV—EXPLUSION PROCEEDINGS FOR HOUSE MEMBERS RECEIVING FOREIGN CONTRIBUTIONS

Sec. 1501. Permitting consideration of privileged motion to expel House member accepting illegal foreign contribution.

TITLE XVI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

Sec. 1601. Severability.
Sec. 1602. Review of constitutional issues.
Sec. 1603. Effective date.
Sec. 1604. Regulations.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

SEC. 101. SOFT MONEY OF POLITICAL PARTIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section.—

''SOFT MONEY OF POLITICAL PARTIES

''SEC.—323. (a) NATIONAL COMMITTEE.—

''(1) IN GENERAL: A national committee of a political party (including a national congressional campaign committee of a political party) and any officers or agents of such party committees, shall not solicit, receive, or direct to another person a contribution, donation, or transfer of funds, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) APPLICABILITY.— This subsection shall apply to an entity that is directly or indirectly established, financed, maintained, or controlled by a national committee of a political party (including a national congressional campaign committee of a political party), or an entity acting on behalf of a national committee and an officer or agent acting on behalf of any such committee or entity.

''(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

''(1) IN GENERAL.—An amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of such committee or entity) for Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) FEDERAL ELECTION ACTIVITY.—

''(A) IN GENERAL.—The term 'Federal election activity' means—

''(i) voter registration activity during the period that begins on the date that is 120 days before the date a regularly scheduled Federal election is held and ends on the date of the election;

''(ii) voter identification, get-out-the-vote activity, or generic campaign activity conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot); and

''(iii) a communication that refers to a clearly identified candidate for Federal office (regardless of whether a candidate for State or local office is also mentioned or identified) and is made for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy).

''(B) EXCLUDED ACTIVITY.—The term 'Federal election activity' does not include an amount expended or disbursed by a State, district, or local committee of a political party for—

''(i) campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, provided the campaign activity is not a Federal election activity described in subparagraph (A);

''(ii) a contribution to a candidate for State or local office, provided the contribution is not designated or used to pay for a Federal election activity described in subparagraph (A);

''(iii) the costs of a State, district, or local political convention;

''(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs, that name or depict only a candidate for State or local office;

''(v) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of an individual who spends more than 20 percent of the individual's time on Federal election activity) as determined by a regulation promulgated by the Commission to determine the non-Federal share of a State, district, or local party committee's administrative and overhead expenses; and

''(vi) the cost of constructing or purchasing an office facility or equipment for a State, district or local committee.

''(c) FUNDRAISING COSTS.—An amount spent by a national, State, district, or local committee of a political party, by an entity that is established, financed, maintained, or controlled by a national, State, district, or local committee of a political party, or by an agent or officer of any such committee or entity, to raise funds that are used, in whole or in part, to pay the costs of a Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(d) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party), an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, and an officer or agent acting on behalf of any such party committee or entity, shall not solicit any funds for, or make or direct any donations to, an organization that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code (or has submitted an application to the Commissioner of the Internal Revenue Service for determination of tax-exemption under such section).

''(e) CANDIDATES.—

''(1) IN GENERAL.—A candidate, individual holding Federal office, agent of a candidate or individual holding Federal office, or an entity directly or indirectly established, financed, maintained or controlled by or acting on behalf of one or more candidates or individuals holding Federal office, shall not—

''(A) solicit, receive, direct, transfer, or spend funds in connection with an election for Federal office, including funds for any Federal election activity, unless the funds are subject to the limitations. prohibitions, and reporting requirements of this Act; or

''(B) solicit, receive, direct, transfer, or spend funds in connection with any election

other than an election for Federal office or disburse funds in connection with such an election unless the funds—

''(i) are not in excess of the amounts permitted with respect to contributions to candidates and political committees under paragraphs (1) and (2) of section 315(a); and

''(ii) are not from sources prohibited by this Act from making contributions with respect to an election for Federal office.

''(2) STATE LAW.—Paragraph (1) does not apply to the solicitation, receipt, or spending of funds by an individual who is a candidate for a State or local office in connection with such election for State or local office if the solicitation, receipt, or spending of funds is permitted under State law for any activity other than a Federal election activity.

''(3) FUNDRAISING EVENTS.—Notwithstanding paragraph (1), a candidate may attend, speak, or be a featured guest at a fund raising event for a State, district, or local committee of a political party.''.

SEC. 102. INCREASED CONTRIBUTION LIMITS FOR STATE COMMITTEES OF POLITICAL PARTIES AND AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUALS.

(a) CONTRIBUTION LIMIT FOR STATE COMMITTEES OF POLITICAL PARTIES.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking ''or'' at the end;

(2) in subparagraph (C)—

(A) by inserting ''(other than a committee described in subparagraph (D))'' after ''committee''; and

(B) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following.—

''(D) to a political committee established and maintained by a State committee of a political party in any calendar year that, in the aggregate, exceed $10,000''.

(b) AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUAL.—Section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by striking ''$25,000'' and inserting ''$30,000''.

SEC. 103. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 204) is amended by inserting after subsection (d) the following.—

''(e) POLITICAL COMMITTEES.—

''(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of a political party, any national congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period.

''(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 323 APPLIES: In addition to any other reporting requirements applicable under this Act, a political committee (not described in paragraph (1)) to which section 323(b)(1) applies shall report all receipts and disbursements made for activities described in paragraphs (2)(A) and (2)(B)(v) of section 323(b).

''(3) ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

''(4) REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a)''.

(b) BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

SEC. 201. DEFINITIONS.

(a) DEFINITION OF INDEPENDENT EXPENDITURE.—Section 301 of the Federal Election Campaign Act (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17) INDEPENDENT EXPENDITURE.—

''(A) IN GENERAL.— The term 'independent expenditure' means an expenditure by a person—

''(i) for a communication that is express advocacy; and

''(ii) that is not coordinated activity or is not provided in coordination with a candidate or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent.''.

(b) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end the following:

''(20) EXPRESS ADVOCACY.—

''(A) IN GENERAL.—The term 'express advocacy' means a communication that advocates the election or defeat of a candidate by—

''(i) containing a phrase such as 'vote for', 're-elect', 'support', 'cast your ballot for', '(name of candidate) for Congress', '(name of candidate) in 1997', 'vote against', 'defeat', 'reject', or a campaign slogan or words that in context can have no reasonable meaning other than to advocate the election or defeat of one or more clearly identified candidates;

''(ii) referring to one or more clearly identified candidates in a paid advertisement that is transmitted through radio or television within 60 calendar days preceding the date of an election of the candidate and that appears in the State in which the election is occurring, except that with respect to a candidate for the office of Vice President or President, the time period is within 60 calendar days preceding the date of a general election; or

''(iii) expressing unmistakable and unambiguous support for or opposition to one or more clearly identified candidates when taken as a whole and with limited reference to external events, such as proximity to an election.

''(B) VOTING RECORD AND VOTING GUIDE EXCEPTION.—The term 'express advocacy' does not include a communication which is in printed form or posted on the Internet that—

''(i) presents information solely about the voting record or position on a campaign issue of one or more candidates (including any statement by the sponsor of the voting record or voting guide of its agreement or disagreement with the record or position of a candidate), so long as the voting record or voting guide when taken as a whole does not express unmistakable and unambiguous support for or opposition to one or more clearly identified candidates;

''(ii) is not coordinated activity or is not made in coordination with a candidate, political party, or agent of the candidate or party, or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent, except that nothing in this clause may be construed to prevent the sponsor of the voting guide from directing questions in writing to a candidate about the candidate's position on issues for purposes of preparing a voter guide or to prevent the candidate from responding in writing to such questions; and

''(iii) does not contain a phrase such as 'vote for', 're-elect', 'support', 'cast your ballot for', '(name of candidate) for Congress', '(name of candidate) in 1997', 'vote against', 'defeat', 'reject', or a campaign slogan or words that in context can have no reasonable meaning other than to urge the election or defeat of one or more clearly identified candidates.''.

(c) DEFINITION OF EXPENDITURE.—Section 301(9)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(A)) is amended—

(1) in clause (i), by striking ''and'' at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(iii) a payment made by a political committee for a communication that—

''(I) refers to a clearly identified candidate; and

''(II) is for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy).''.

SEC. 202. EXPRESS ADVOCACY DETERMINED WITHOUT REGARD TO BACKGROUND MUSIC.

Section 301(20) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(20)), as added by section 201(b), is amended by adding at the end the following new subparagraph:

''(C) BACKGROUND MUSIC.—In determining whether any communication by television or radio broadcast constitutes express advocacy for purposes of this Act, there shall not be taken into account any background music not including lyrics used in such broadcast.''.

SEC. 203. CIVIL PENALTY.

Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended—

(1) in subsection (a)—

(A) in paragraph (4)(A)—

(1) in clause (i), by striking ''clause (ii)'' and inserting ''clauses (ii) and (iii)''; and

(ii) by adding at the end the following:

''(iii) If the Commission determines by an affirmative vote of 4 of its members that there is probable cause to believe that a person has made a knowing and willful violation of section 304(c), the Commission shall not enter into a conciliation agreement under this paragraph and may institute a civil action for relief under paragraph (6)(A).''; and

(B) in paragraph (6)(B), by inserting ''(except an action instituted in connection with a knowing and willful violation of section 304(c))' after 'subparagraph (A)''; and

(2) in subsection (d)(1)—

(A) in subparagraph (A), by striking ''Any person'' and inserting ''Except as provided in subparagraph (D), any person''; and

(B) by adding at the end the following.—

''(D) In the case of a knowing and willful violation of section 304(c) that involves the reporting of an independent expenditure, the violation shall not be subject to this subsection.''.

SEC. 204. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended—

(1) in subsection (c)(2), by striking the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) of subsection (c) as subsection (f); and

(3) by inserting after subsection (c)(2) (as amended by paragraph (1)) the following.—

''(d) TIME FOR REPORTING CERTAIN EXPENDITURES.—

''(1) EXPENDITURES AGGREGATING $1,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before the date of an election shall file a report describing the expenditures within 24 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the

person shall file an additional report within 24 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $1,000 with respect to the same election as that to which the initial report relates.

''(2) EXPENDITURES AGGREGATING $10,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 48 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $10,000 with respect to the same election as that to which the initial report relates.

''(3) PLACE OF FILING; CONTENTS.—A report under this subsection—

''(A) shall be filed with the Commission; and

''(B) shall contain the information required by subsection (b)(6)(B)(iii), including the name of each candidate whom an expenditure is intended to support or oppose.''.

SEC. 205. INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.

Section 315(d) of the Federal Election Campaign Act (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by striking ''and (3)'' and inserting, ''(3), and (4)''; and

(2) by adding at the end the following:

''(4) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.—

''(A) IN GENERAL.—On or after the date on which a political party nominates a candidate, a committee of the political party shall not make both expenditures under this subsection and independent expenditures (as defined in section 301(17)) with respect to the candidate during the election cycle.

''(B) CERTIFICATION.—Before making a coordinated expenditure under this subsection with respect to a candidate, a committee of a political party shall file with the Commission a certification, signed by the treasurer of the committee, that the committee has not and shall not make any independent expenditure with respect to the candidate during the same election cycle.

''(C) APPLICATION.—For purposes of this paragraph, all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.

''(D) TRANSFERS.—A committee of a political party that submits a certification under subparagraph (B) with respect to a candidate shall not, during an election cycle, transfer any funds to, assign authority to make coordinated expenditures under this subsection to, or receive a transfer of funds from, a committee of the political party that has made or intends to make an independent expenditure with respect to the candidate.''.

SEC. 206. COORDINATION WITH CANDIDATES.

(a) DEFINITION OF COORDINATION WITH CANDIDATES.—

(1) SECTION 301(8).—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(A) in subparagraph (A)—

(i) by striking ''or'' at the end of clause (i);

(ii) by striking the period at the end of clause (ii) and inserting ''; or''; and

(iii) by adding at the end the following:

''(iii) coordinated activity (as defined in subparagraph (C)).''; and

(B) by adding at the end the following.—

''(C) ''Coordinated activity'' means anything of value provided by a person in coordination with a candidate, an agent of the candidate, or the political party of the candidate or its agent for the purpose of influencing a Federal election (regardless of whether the value being provided is a communication that is express advocacy) in which such candidate seeks nomination or election to Federal office, and includes any of the following.—

''(i) A payment made by a person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with a candidate, the candidate's authorized committee, the political party of the candidate, or an agent acting on behalf of a candidate, authorized committee, or the political party of the candidate.

''(ii) A payment made by a person for the production, dissemination, distribution, or republication, in whole or in part, of any broadcast or any written graphic, or other form of campaign material prepared by a candidate, a candidate's authorized committee, or an agent of a candidate or authorized committee (not including a communication described in paragraph (9)(B)(i) or a communication that expressly advocates the candidate's defeat).

''(iii) A payment made by a person based on information about a candidate's plans, projects, or needs provided to the person making the payment by the candidate or the candidate's agent who provides the information with the intent that the payment be made.

''(iv) A payment made by a person if, in the same election cycle in which the payment is made, the person making the payment is serving or has served as a member, employee, fundraiser, or agent of the candidate's authorized committee in an executive or policymaking position.

''(v) A payment made by a person if the person making the payment has served in any formal policy making or advisory position with the candidate's campaign or has participated in formal strategic or formal policymaking discussions (other than any discussion treated as a lobbying contact under the Lobbying Disclosure Act of 1995 in the case of a candidate holding Federal office or as a similar lobbying activity in the case of a candidate holding State or other elective office) with the candidate's campaign relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle as the election cycle in which the payment is made.

''(vi) A payment made by a person if, in the same election cycle, the person making the payment retains the professional services of any person that has provided or is providing campaign-related services in the same election cycle to a candidate (including services provided through a political committee of the candidate's political party) in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including services relating to the candidate's decision to seek Federal office, and the person retained is retained to work on activities relating to that candidate's campaign.

''(vii) A payment made by a person who has directly participated in fundraising activities with the candidate or in the solicitation or receipt of contributions on behalf of the candidate.

''(viii) A payment made by a person who has communicated with the candidate or an agent of the candidate (including a communication through a political committee of the candidate's political party) after the declaration of candidacy (including a pollster, media consultant, vendor, advisor, or staff member acting on behalf of the candidate), about advertising message, allocation of resource, fundraising, or other campaign matters related to the candidate's campaign, including campaign operations, staffing, tactics, or strategy.

''(ix) The provision of in-kind professional services or polling data (including services or data provided through a political committee of the candidate's political party) to the candidate or candidate's agent.

''(x) A payment made by a person who has engaged in a coordinated activity with a candidate described in clauses (i) through (ix) for a communication that clearly refers to the candidate or the candidate's opponent and is for the purpose of influencing that candidate's election (regardless of whether the communication is express advocacy).

''(D) For purposes of subparagraph (C), the term 'professional services' means polling, media advice, fundraising, campaign research or direct mail (except for mailhouse services solely for the distribution of voter guides as defined in section 431(20)(B)) services in support of a candidate's pursuit of nomination for election, or election, to Federal office.

''(E) For purposes of subparagraph (C), all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.''.

(2) SECTION 315(a)(7).—Section 315(a)(7) (2 U.S.C. 441a(a)(7)) is amended by striking subparagraph (B) and inserting the following—

''(B) a coordinated activity, as described in section 301(8)(C), shall be considered to be a contribution to the candidate, and in the case of a limitation on expenditures, shall be treated as an expenditure by the candidate.

''(b) MEANING OF CONTRIBUTION OR EXPENDITURE FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by striking shall include' and inserting 'includes a contribution or expenditure, as those terms are defined in section 301, and also includes' ''.

TITLE III—DISCLOSURE

SEC. 301. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 304(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting the following—

''(11)(A) The Commission shall promulgate a regulation under which a person required to file a designation, statement, or report under this Act—

''(i) is required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

''(ii) may maintain and file a designation, statement, or report in electronic form or an alternative form, including the use of a facsimile machine, if not required to do so under the regulation promulgated under clause (i).

''(B) The Commission shall make a designation, statement, report, or notification that is filed electronically with the Commission accessible to the public on the Internet not later than 24 hours after the designation, statement, report, or notification is received by the Commission.

''(C) In promulgating a regulation under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulation. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.''.

SEC. 302. PROHIBITION OF DEPOSIT OF CONTRIBUTIONS WITH INCOMPLETE CONTRIBUTOR INFORMATION.

Section 302 of Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following:

''(j) DEPOSIT OF CONTRIBUTIONS.—The treasurer of a candidate's authorized committee shall not deposit, except in an escrow account, or otherwise negotiate a contribution from a person who makes an aggregate amount of contributions in excess of $200 during a calendar year unless the treasurer verifies that the information required by this section with respect to the contributor is complete.'.

SEC. 303. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting ''(1) IN GENERAL.—'' before ''The Commission'';

(2) by moving the text 2 ems to the right; and

(3) by adding at the end the following:

''(2) RANDOM AUDITS.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act. The selection of any candidate for a random audit or investigation shall be based on criteria adopted by a vote of at least four members of the Commission.

''(B) LIMITATION.—The Commission shall not conduct an audit or investigation of a candidate's authorized committee under subparagraph (A) until the candidate is no longer a candidate for the office sought by the candidate in an election cycle.

''(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.''.

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking '6 months' and inserting ''12 months''.

SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBUTIONS OF $50 OR MORE

Section 304(b)(3)(A) of the Federal Election Campaign Act at 1971 (2 U.S.C. 434(b)(3)(A) is amended—

(1) by striking ''$200'' and inserting ''$50''; and

(2) by striking the semicolon and inserting '', except that in the case of a person who makes contributions aggregating at least $50 but not more than $200 during the calendar year, the identification need include only the name and address of the person;''.

SEC. 305. USE OF CANDIDATES' NAMES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by striking paragraph (4) and inserting the following:

''(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

''(B) A political committee that is not an authorized committee shall not—

''(i) include the name of any candidate in its name; or

''(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of the committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.''.

SEC. 306. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting after ''SEC. 322.'' the following: ''(a) IN GENERAL:''; and

(2) by adding at the end the following:

''(b) SOLICITATION OF CONTRIBUTIONS.—No person shall solicit contributions by falsely representing himself or herself as a candidate or as a representative of a candidate, a political committee, or a political party.''.

SEC. 307. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

(a) IN GENERAL.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 103(c) and section 204) is amended by adding at the end the following:

''(g) DISBURSEMENTS OF PERSONS OTHER THAN POLITICAL PARTIES.—

''(1) IN GENERAL.—A person, other than a political committee of a political party or a person described in section 501(d) of the Internal Revenue Code of 1986, that makes an aggregate amount of disbursements in excess of $50,000 during a calendar year for activities described in paragraph (2) shall file a statement with the Commission—

''(A) on a monthly basis as described in subsection (a)(4)(B); or

''(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursement are made.

''(2) ACTIVITY.—The activity described in this paragraph is—

''(A) Federal election activity;

''(B) an activity described in section 316(b)(2)(A) that expresses support for or opposition to a candidate for Federal office or a political party; and

''(C) an activity described in subparagraph (B) or (C) of section 316(b)(2).

''(3) APPLICABILITY.—This subsection does not apply to—

''(A) a candidate or a candidate's authorized committees; or

''(B) an independent expenditure.

''(4) CONTENTS.—A statement under this section shall contain such information about the disbursements made during the reporting period as the Commission shall prescribe, including—

''(A) the aggregate amount of disbursements made;

''(B) the name and address of the person or entity to whom a disbursement is made in an aggregate amount in excess of $200;

''(C) the date made, amount, and purpose of the disbursement; and

''(D) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.''.

(b) DEFINITION OF GENERIC CAMPAIGN ACTIVITY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 201(b)) is further amended by adding at the end the following:

''(21) GENERIC CAMPAIGN ACTIVITY.—The term 'generic campaign activity' means an activity that promotes a political party and does not promote a candidate or non-Federal candidate.''

SEC. 308. CAMPAIGN ADVERTISING.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''Whenever'' and inserting ''Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever'';

(ii) by striking ''an expenditure'' and inserting ''a disbursement''; and

(iii) by striking ''direct''; and

(B) in paragraph (3), by inserting ''and permanent street address'' and ''name''; and

(2) by adding at the end the following:

''(c) Any printed communication described in subsection (a) shall—

''(1) be of sufficient type size to be clearly readable by the recipient of the communication;

''(2) be contained in a printed box set apart from the other contents of the communication; and

''(3) be printed with a reasonable degree of color contrast between the background and the printed statement.

''(d)(1) Any communication described in paragraphs (1) or (2) of subsection (a) which is transmitted through radio or television shall include, in addition to the requirements of that paragraph, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

''(2) If a communication described in paragraph (1) is transmitted through television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement that—

''(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

''(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.

''(e) Any communication described in paragraph (3) of subsection (a) which is transmitted through radio or television shall include, in addition to the requirements of that paragraph, in a clearly spoken manner, the following statement: 'XXXXXXX is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If transmitted through television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.''

TITLE IV—PERSONAL WEALTH OPTION

SEC. 401. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 101, is further amended by adding at the end the following new section:

''VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT

Sec. 324. (a) ELIGIBLE CONGRESSIONAL CANDIDATE.—

(1) PRIMARY ELECTION.—

''(A) DECLARATION.—A candidate for election for Senator or Representative in or Delegate or Resident Commissioner to the Congress is an eligible primary election Congressional candidate if the candidate files with the Commission a declaration that the candidate and the candidate's authorized committees will not make expenditures in excess of the personal funds expenditure limit.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than the date on which the candidate files with the appropriate State officer as a candidate for the primary election.

''(2) GENERAL ELECTION.—

''(A) DECLARATION.—A candidate for election for Senator or Representative in or Delegate or Resident Commissioner to the Congress is an eligible general election Congressional candidate if the candidate files with the Commission—

''(i) a declaration under penalty of perjury, with supporting documentation as required by the Commission, that the candidate and the candidate's authorized committees did not exceed the personal funds expenditure limit in connection with the primary election; and

''(ii) a declaration that the candidate and the candidate's authorized committees will not make expenditures in excess of the personal funds expenditure limit.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than 7 days after the earlier of—

''(i) the date on which the candidate qualifies for the general election ballot under State law; or

''(ii) if under State law, a primary or runoff election to qualify for the general ballot occurs after September 1, the date on which the candidate wins the primary or runoff election.

''(b) PERSONAL FUNDS EXPENDITURE LIMIT.—

''(1) IN GENERAL.—The aggregate amount of expenditures that may be made in connection with an election by an eligible Congressional candidate or the candidate's authorized committees from the sources described in paragraph (2) shall not exceed $50,000.

''(2) SOURCES.—A source is described in this paragraph if the source is—

''(A) personal funds of the candidate and members of the candidate's immediate family; or

''(B) proceeds of indebtedness incurred by the candidate or a member of the candidate's immediate family.

''(C) CERTIFICATION BY THE COMMISSION.—

''(1) IN GENERAL.—The Commission shall determine whether a candidate has met the requirements of this section and, based on the determination, issue a certification stating whether the candidate is an eligible Congressional candidate.

''(2) TIME FOR CERTIFICATION.—Not later than 7 business days after a candidate files a declaration under paragraph (1) or (2) of subsection (a), the Commission shall certify whether the candidate is an eligible Congressional candidate.

''(3) REVOCATION.—The Commission shall revoke a certification under paragraph (1), based on information submitted in such form and manner as the Commission may require or on information that comes to the Commission by other means, if the Commission determines that a candidate violates the personal funds expenditure limit.

''(4) DETERMINATIONS BY COMMISSION.—A determination made by the Commission under this subsection shall be final, except to the extent that the determination is subject to examination and audit by the Commission and to judicial review.

''(d) PENALTY.—If the Commission revokes the certification of an eligible Congressional candidate—

''(1) the Commission shall notify the candidate of the revocation; and

''(2) the candidate and a candidate's authorized committees shall pay to the Commission an amount equal to the amount of expenditures made by a national committee of a political party or a State committee of a political party in connection with the general election campaign of the candidate under section 315(d).''.

SEC. 402. POLITICAL PARTY COMMITTEE COORDINATED EXPENDITURES.

Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) (as amended by section 204) is amended by adding at the end the following:

''(5) This subsection does not apply to expenditures made in connection with the general election campaign of a candidate for Senator or Representative in or Delegate or Resident Commissioner to the Congress who is not an eligible Congressional candidate (as defined in section 324(a)).''.

TITLE V—MISCELLANEOUS

SEC. 501 CODIFICATION OF BECK DECISION.

Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end the following new subsection:

''(h) NONUNION MEMBER PAYMENTS TO LABOR ORGANIZATION.—

''(1) IN GENERAL.—It shall be an unfair labor practice for any labor organization which receives a payment from an employee pursuant to an agreement that requires employees who are not members of the organization to make payments to such organization in lieu of organization dues or fees not to establish and implement the objection procedure described in paragraph (2).

''(2) OBJECTION PROCEDURE:—The objection procedure required under paragraph (1) shall meet the following requirements:

''(A) The labor organization shall annually provide to employees who are covered by such agreement but are not members of the organization—

''(i) reasonable personal notice of the objection procedure, a list of the employees eligible to invoke the procedure, and the time, place, and manner for filing an objection; and

''(ii) reasonable opportunity to file an objection to paying for organization expenditures supporting political activities unrelated to collective bargaining, including but not limited to the opportunity to file such objection by mail.

''(B) If an employee who is not a member of the labor organization files an objection under the procedure in subparagraph (A), such organization shall—

''(i) reduce the payments in lieu of organization dues or fees by such employee by an amount which reasonably reflects the ratio that the organization's expenditures supporting political activities unrelated to collective bargaining bears to such organization's total expenditures; and

''(ii) provide such employee with a reasonable explanation of the organization's calculation of such reduction, including calculating the amount of organization expenditures supporting political activities unrelated to collective bargaining.

''(3) DEFINITION.—In this subsection, the term 'expenditures supporting political activities unrelated to collective bargaining' means expenditures in connection with a Federal, State, or local election or in connection with efforts to influence legislation unrelated to collective bargaining.''.

SEC. 502. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by striking section 313 and inserting the following:

''USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

''SEC. 313. (a) PERMITTED USES.—A contribution accepted by a candidate, and any other amount received by an individual as support for activities of the individual as a holder of Federal office, may be used by the candidate or individual—

''(1) for expenditures in connection with the campaign for Federal office of the candidate or individual;

''(2) for ordinary and necessary expenses incurred in connection with duties of the individual as a holder of Federal office;

''(3) for contributions to an organization described in section 170(c) of the Internal Revenue Code of 1986; or

''(4) for transfers to a national, State, or local committee of a political party.

''(b) PROHIBITED USE.—

''(1) IN GENERAL.—A contribution or amount described in subsection (a) shall not be converted by any person to personal use.

''(2) CONVERSION.—For the purposes of paragraph (1), a contribution or amount shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal officeholder, including—

''(A) a home mortgage, rent, or utility payment;

''(B) a clothing purchase;

''(C) a noncampaign-related automobile expense;

''(D) a country club membership;

''(E) a vacation or other noncampaign-related trip;

''(F) a household food item;

''(G) a tuition payment;

''(H) admission to a sporting event, concert, theater, or other form of entertainment not associated with an election campaign; and

''(I) dues, fees, and other payments to a health club or recreational facility.''.

SEC. 503. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6) of title 39, United States Code, is amended by striking subparagraph (A) and inserting the following:

''(A) A Member of Congress shall not mail any mass mailing as franked mail during the 180-day period which ends on the date of the general election for the office held by the Member or during the 90-day period which ends on the date of any primary election for that office, unless the Member has made a public announcement that the Member will not be a candidate for reelection during that year or for election to any other Federal office.''.

SEC. 504. PROHIBITION OF FUNDRAISING ON FEDERAL PROPERTY.

Section 607 of title 18, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—

''(1) IN GENERAL.—It shall be unlawful for any person to solicit or receive a donation of money or other thing of value in connection with a Federal, State, or local election from a person who is located in a room or building occupied in the discharge of official duties by an officer or employee of the United States. An individual who is an officer or employee of the Federal Government, including the President, Vice President, and Members of Congress, shall not solicit a donation of money or other thing of value in connection with a Federal, State, or local election while in any room or building occupied in the discharge of official duties by an officer or employee of the United States, from any person.

''(2) PENALTY.—A person who violates this section shall be fined not more than $5,000, imprisoned more than 3 years, or both.''; and

(2) in subsection (b), by inserting ''or Executive Office of the President'' after ''Congress''.

SEC. 505. PENALTIES FOR VIOLATIONS.

(a) INCREASED PENALTIES.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) in paragraphs (5)(A), (6)(A), and (6)(B), by striking ''$5,000'' and inserting ''$10,000''; and

(2) in paragraphs (5)(B) and (6)(C), by striking ''$10,000 or an amount equal to 200 percent'' and inserting ''$20,000 or an amount equal to 300 percent''.

(b) EQUITABLE REMEDIES.—Section 309(a)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking the period at the end and inserting '', and may include equitable remedies or penalties, including disgorgement of funds to the Treasury or community service requirements (including requirements to participate in public education programs).''.

(c) AUTOMATIC PENALTY FOR LATE FILING.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following:

''(13) PENALTY FOR LATE FILING.—

''(A) IN GENERAL.—

''(i) MONETARY PENALTIES.—The Commission shall establish a schedule of mandatory monetary penalties that shall be imposed by the Commission for failure to meet a time requirement for filing under section 304.

''(ii) REQUIRED FILING.—In addition to imposing a penalty, the Commission may require a report that has not been filed within the time requirements of section 304 to be filed by specific date.

''(iii) PROCEDURE.—A penalty or filing requirement imposed under this paragraph shall not be subject to paragraph (1), (2), (3), (4), (5), or (12).

''(B) FILING AN EXCEPTION.—

''(i) TIME TO FILE.—A political committee shall have 30 days after the imposition of a penalty or filing requirement by the Commission under this paragraph in which to file an exception with the Commission.

''(ii) TIME FOR COMMISSION TO RULE.—Within 30 days after receiving an exception, the Commission shall make a determination that is a final agency action subject to exclusive review by the United States Court of Appeals for the District of Columbia Circuit under section 706 of title 5, United States Code, upon petition filed in that court by the political committee or treasurer that is the subject of the agency action, if the petition is filed within 30 days after the date of the Commission action for which review is sought.'';

(2) in paragraph (5)(D)—

(A) by inserting after the first sentence the following: ''In any case in which a penalty or filing requirement imposed on a political committee or treasurer under paragraph (13) has not been satisfied, the Commission may institute a civil action for enforcement under paragraph (6)(A).''; and

(B) by inserting before the period at the end of the last sentence the following: ''or has failed to pay a penalty or meet a filing requirement imposed under paragraph (13)''; and

(3) in paragraph (6)(A), by striking ''paragraph (4)(A)'' and inserting ''paragraph (4)(A) or (13)''.

SEC. 506. STRENGTHENING FOREIGN MONEY BAN.

(a) IN GENERAL.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by striking the heading and inserting the following: ''CONTRIBUTIONS AND DONATIONS BY FOREIGN NATIONALS''; and

(2) by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—It shall be unlawful for—

''(1) a foreign national, directly or indirectly, to make—

''(A) a donation of money or other thing of value, or to promise expressly or impliedly to make a donation, in connection with a Federal, State, or local election; or

''(B) a contribution or donation to a committee of a political party; or

''(2) a person to solicit, accept, or receive such a contribution or donation from a foreign national.''.

(b) PROHIBITING USE OF WILLFUL BLINDNESS AS DEFENSE AGAINST CHARGE OF VIOLATING FOREIGN CONTRIBUTION BAN.—

(1) IN GENERAL.—Section 319 of such Act (2 U.S.C. 441(e) is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection.—

''(b) PROHIBITING USE OF WILLFUL BLINDNESS DEFENSE.—It shall not be a defense to a violation of subsection (a) that the defendant did not know that the contribution originated from a foreign national if the defendant should have known that the contribution originated from a foreign national, except that the trier of fact may not find that the defendant should have known that the contribution originated from a foreign national solely because of the name of the contributor.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to violations occurring on or after the date of the enactment of this Act.

SEC. 507. PROHIBITION OF CONTRIBUTIONS BY MINORS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101 and 401, is further amended by adding at the end the following new section.—

''PROHIBITION OF CONTRIBUTIONS BY MINORS

''SEC. 325. An individual who is 17 years old or younger shall not make a contribution to a candidate or a contribution or donation to a committee of a political party.''.

SEC. 508. EXPEDITED PROCEDURES.

(a) IN GENERAL.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) (as amended by section 505(c)) is amended by adding at the end the following.—

''(14)(A) If the complaint in a proceeding was filed within 60 days preceding the date of a general election, the Commission may take action described in this subparagraph.

''(B) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that there is clear and convincing evidence that a violation of this Act has occurred, is occurring, or is about to occur, the Commission may order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties.

''(C) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

''(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

''(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.''.

(b) REFERRAL TO ATTORNEY GENERAL.—Section 309(a)(5) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking subparagraph (C) and inserting the following.—

''(C) The Commission may at any time, by an affirmative vote of at least 4 of its members, refer a possible violation of this Act or chapter 95 or 96 of the Internal Revenue Code of 1986, to the Attorney General of the United States, without regard to any limitation set forth in this section.''.

SEC. 509. INITIATION OF ENFORCEMENT PROCEEDING.

Section 309(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(2)) is amended by striking ''reason to believe that'' and inserting ''reason to investigate whether''.

SEC. 510. PROTECTING EQUAL PARTICIPATION OF ELIGIBLE VOTERS IN CAMPAIGNS AND ELECTIONS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, and 507, is further amended by adding at the end the following new section.—

''PROTECTING EQUAL PARTICIPATION OF ELIGIBLE VOTERS IN CAMPAIGNS AND ELECTIONS

''SEC. 326. (a) IN GENERAL.—Nothing in this Act may be construed to prohibit any individual eligible to vote in an election for Federal office from making contributions or expenditures in support of a candidate for such an election (including voluntary contributions or expenditures made through a separate segregated fund established by the individual's employer or labor organization) or otherwise participating in any campaign for such an election in the same manner and to the same extent as any other individual eligible to vote in an election for such office.

''(b) NO EFFECT ON GEOGRAPHIC RESTRICTIONS ON CONTRIBUTIONS.—Subsection (a) may not be construed to affect any restriction under this title regarding the portion of contributions accepted by a candidate from persons residing in a particular geographic area.''.

SEC. 511. PENALTY FOR VIOLATION OF PROHIBITION AGAINST FOREIGN CONTRIBUTIONS.

(a) IN GENERAL.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e), as amended by section 506(b), is further amended—

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

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

''(c) PENALTY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), notwithstanding any other provision of this title any person who violates subsection (a) shall be sentenced to a term of imprisonment which may not be more than 10 years, fined in an amount not to exceed $1,000,000, or both.

''(2) EXCEPTION.—Paragraph (1) shall not apply with respect to any violation of subsection (a) arising from a contribution or donation made by an individual who is lawfully admitted for permanent residence (as defined in section 101(a)(22) of the Immigration and Nationality Act).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring on or after the date of the enactment of this Act.

SEC. 512. EXPEDITED COURT REVIEW OF CERTAIN ALLEGED VIOLATIONS OF FEDERAL ELECTION CAMPAIGN ACT OF 1971.

(a) IN GENERAL.—Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended—

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

(2) by inserting after subsection (c) the following new subsection:

''(d) Notwithstanding any other provision of this section, if a candidate (or the candidate's authorized committee) believes that a violation described in paragraph (2) has been committed with respect to an election

during the 90-day period preceding the date of the election, the candidate or committee may institute a civil action on behalf of the Commission for relief (including injunctive relief) against the alleged violator in the same manner and under the same terms and conditions as an action instituted by the Commission under subsection (a)(6), except that the court involved shall issue a decision regarding the action as soon as practicable after the action is instituted and to the greatest extent possible issue the decision prior to the date of the election involved.

''(2) A violation described in this paragraph is a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986 relating to—

''(A) whether a contribution is in excess of an applicable limit or is otherwise prohibited under this Act; or

''(B) whether an expenditure is an independent expenditure under section 301(17).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to elections occurring after the date of the enactment of this Act.

SEC. 513. CONSPIRACY TO VIOLATE PRESIDENTIAL CAMPAIGN SPENDING LIMITS.

(a) IN GENERAL.—Section 9003 of the Internal Revenue Code of 1986 (26 U.S.C. 9003) is amended by adding at the end the following new subsection:

''(g) PROHIBITING CONSPIRACY TO VIOLATE LIMIT.—

''(1) VIOLATION OF LIMITS DESCRIBED.—If a candidate for election to the office of President or Vice President who receives amounts from the Presidential Election Campaign Fund under chapter 95 or 96 of the Internal Revenue Code of 1986, or the agent of such a candidate, seeks to avoid the spending limits applicable to the candidate under such chapter or under the Federal Election Campaign Act of 1971 by soliciting, receiving, transferring, or directing funds from any source other than such Fund for the direct or indirect benefit of such candidate's campaign, such candidate or agent shall be fined not more than $1,000,000, or imprisoned for a term of no more than 3 years, or both.

''(2) CONSPIRACY TO VIOLATE LIMITS DEFINED.—If two or more persons conspire to violate paragraph (1), and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined not more than $1,000,000, or imprisoned for a term of not more than 3 years, or both.''.

EFFECTIVE DATE.—The amendment made by this section shall apply with respect to elections occurring on or after the date of the enactment of this Act.

SEC. 514. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

''(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, 507, and 510, is further amended by adding at the end the following new section:

''TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

''SEC. 327. (a) TRANSFER TO COMMISSION.—

''(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

''(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

''(B) the contribution or donation was made in violation of section 315, 316, 317, 319, 320, or 325 (other than a contribution or donation returned within 30 days of receipt by the committee).

''(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

''(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

''(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

''(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

''(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

''(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

''(i) deposit the amount in the escrow account established under subparagraph (A); and

''(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

''(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

''(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

''(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code, against the person making the contribution or donation.

''(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

''(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

''(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to investigate whether that the making of the contribution or donation was made in violation of this Act; or

''(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

''(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

''(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.''

''(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph.—

''(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 326, the amount of the donation involved shall be treated as the amount of the contribution involved.''

(c) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

''(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 326.''.

''(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 326 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

SEC. 515. ESTABLISHMENT OF A CLEARINGHOUSE OF INFORMATION ON POLITICAL ACTIVITIES WITHIN THE FEDERAL ELECTION COMMISSION.

(a) ESTABLISHMENT.—There shall be established within the Federal Election Commission a clearinghouse of public information regarding the political activities of foreign principals and agents of foreign principals. The information comprising this clearinghouse shall include only the following:

(1) All registrations and reports filed pursuant to the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) during the preceding 5-year period.

(2) All registrations and reports filed pursuant to the Foreign Agents Registration Act, as amended (22 U.S.C. 611 et seq.), during the preceding 5-year period.

(3) The listings of public hearings, hearing witnesses, and witness affiliations printed in the Congressional Record during the preceding 5-year period.

(4) Public information disclosed pursuant to the rules of the Senate or the House of Representatives regarding honoraria, the receipt of gifts, travel, and earned and unearned income.

(5) All reports filed pursuant to title I of the Ethics in Government Act of 1978 (5 U.S.C. App.) during the preceding 5-year period.

(6) All public information filed with the Federal Election Commission pursuant to the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) during the preceding 5-year period.

(b) DISCLOSURE OF OTHER INFORMATION PROHIBITED.—The disclosure by the clearinghouse, or any officer or employee thereof, of any information other than that set forth in subsection (a) is prohibited, except as otherwise provided by law.

(c) DIRECTOR OF CLEARINGHOUSE.—

(1) DUTIES.—The clearinghouse shall have a Director, who shall administer and manage the responsibilities and all activities of the clearinghouse. In carrying out such duties, the Director shall—

(A) develop a filing, coding, and cross-indexing system to carry out the purposes of this section (which shall include an index of all persons identified in the reports, registrations, and other information comprising the clearinghouse);

(B) notwithstanding any other provision of law, make copies of registrations, reports, and other information comprising the clearinghouse available for public inspection and

coping, beginning not later than 30 days after the information is first available to the public, and permit copying of any such registration, report, or other information by hand or by copying machine or, at the request of any person, furnish a copy of any such registration, report, or other information upon payment of the cost of making and furnishing such copy, except that no information contained in such registration or report and no such other information shall be sold or used by any person for the purpose of soliciting contributions or for any profitmaking purpose; and

(C) not later than 150 days after the date of the enactment of this Act and at any time thereafter, to prescribe, in consultation with the Comptroller General, such rules, regulations, and forms, in conformity with the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this section in the most effective and efficient manner.

(2) APPOINTMENT.—The Director shall be appointed by the Federal Election Commission.

(3) TERM OF SERVICE.—The Director shall serve a single term of a period of time determined by the Commission, but not to exceed 5 years.

(d) PENALTIES FOR DISCLOSURE OF INFORMATION.—Any person who discloses information in violation of subsection (b), and any person who sells or uses information for the purpose of soliciting contributions or for any profitmaking purpose in violation of subsection (c)(1)(B), shall be imprisoned for a period of not more than 1 year, or fined in the amount provided in title 18, United States Code, or both.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to conduct the activities of the clearinghouse.

(f) FOREIGN PRINCIPAL.—In this section, the term ''foreign principal'' shall have the same meaning given the term ''foreign national'' under section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e), as in effect as of the date of the enactment of this Act.

SEC. 516. ENFORCEMENT OF SPENDING LIMIT ON PRESIDENTIAL AND VICE PRESIDENTIAL CANDIDATES WHO RECEIVE PUBLIC FINANCING.

(a) IN GENERAL.—Section 9003 of the Internal Revenue Code of 1986 (26 U.S.C. 9003) is amended by adding at the end the following new subsection.—

''(f) ILLEGAL SOLICITATION OF SOFT MONEY.—No candidate for election to the office of President or Vice President may receive amounts from the Presidential Election Campaign Fund under this chapter or chapter 96 unless the candidate certifies that the candidate shall not solicit any funds for the purposes of influencing such election, including any funds used for an independent expenditure under the Federal Election Campaign Act of 1971, unless the funds are subject to the limitations, prohibitions, and reporting requirements of the Federal Election Campaign Act of 1971.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to elections occurring on or after the date of the enactment of this Act.

SEC. 517. CLARIFICATION OF RIGHT OF NATIONALS OF THE UNITED STATES TO MAKE POLITICAL CONTRIBUTIONS.

Section 319(d)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e(d)(2)), as amended by sections 506(b) and 511(a), is further amended by inserting after ''United States'' the following: ''or a national of the United States (as defined in section 101(a)(22) of the Immigration and Nationality Act)''.

TITLE VI—INDEPENDENT COMMISSION ON CAMPAIGN FINANCE REFORM

SEC. 601. ESTABLISHMENT AND PURPOSE OF COMMISSION.

There is established a commission to be known as the ''Independent Commission on Campaign Finance Reform'' (referred to in this title as the ''Commission''). The purposes of the Commission are to study the laws relating to the financing of political activity and to report and recommend legislation to reform those laws.

SEC. 602. MEMBERSHIP OF COMMISSION.

(a) COMPOSITION.—The Commission shall be composed of 12 members appointed within 15 days after the date of the enactment of this Act by the President from among individuals who are not incumbent Members of Congress and who are specially qualified to serve on the Commission by reason of education, training, or experience.

(b) APPOINTMENT.—

(1) IN GENERAL.—Members shall be appointed as follows.—

(A) Three members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the Speaker of the House of Representatives.

(B) Three members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the majority leader of the Senate.

(C) Three members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the minority leader of the House of Representatives.

(D) Three members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the minority leader of the Senate.

(2) FAILURE TO SUBMIT LIST OF NOMINEES.—If an official described in any of the subparagraphs of paragraph (1) fails to submit a list of nominees to the President during the 15-day period which begins on the date of the enactment of this Act—

(A) such subparagraph shall no longer apply; and

(B) the President shall appoint three members (one of whom shall be a political independent) who meet the requirements described in subsection (a) and such other criteria as the President may apply.

(3) POLITICAL INDEPENDENT DEFINED.—In this subsection, the term ''political independent'' means an individual who at no time after January 1992—

(A) has held elective office as a member of the Democratic or Republican party;

(B) has received any wages or salary from the Democratic or Republican party or from a Democratic or Republican party office-holder or candidate; or

(C) has provided substantial volunteer services or made any substantial contribution to the Democratic or Republican party or to a Democratic or Republican party office-holder or candidate.

(c) CHAIRMAN.—At the time of the appointment, the President shall designate one member of the Commission as Chairman of the Commission.

(d) TERMS.—The members of the Commission shall serve for the life of the Commission.

(e) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(f) POLITICAL AFFILIATION.—Not more than four members of the Commission may be of the same political party.

SEC. 603. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this title, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate. In carrying out the preceding sentence, the Commission shall ensure that a substantial number of its meetings are open meetings, with significant opportunities for testimony from members of the general public.

(b) QUORUM.—Seven members of the Commission shall constitute a quorum, but a lesser number may hold hearings. The approval of at least nine members of the Commission is required when approving all or a portion of the recommended legislation. Any member of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this section.

SEC. 604. ADMINISTRATIVE PROVISIONS.

(a) PAY AND TRAVEL EXPENSES OF MEMBERS.—(1) Each member of the Commission shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(2) Members of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(b) STAFF DIRECTOR.—The Commission shall, without regard to section 5311(b) of title 5, United States Code, appoint a staff director, who shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(c) STAFF OF COMMISSION; SERVICE.—

(1) IN GENERAL.—With the approval of the Commission, the staff director of the Commission may appoint and fix the pay of additional personnel. The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the maximum annual rate of basic pay payable for grade GS–15 of the General Schedule under section 5332 of title 5, United States Code.

(2) EXPERTS AND CONSULTANTS.—The Commission may procure by contract the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

SEC. 605. REPORT AND RECOMMENDED LEGISLATION.

(a) REPORT.—Not later than the expiration of the 180-day period which begins on the date on which the second session of the One Hundred Sixth Congress adjourns sine die, the Commission shall submit to the President, the Speaker and minority leader of the House of Representatives, and the majority and minority leaders of the Senate a report of the activities of the Commission.

(b) RECOMMENDATIONS; DRAFT OF LEGISLATION.—The report under subsection (a) shall include any recommendations for changes in the laws (including regulations) governing the financing of political activity (taking into account the provisions of this Act and the amendments made by this Act), including any changes in the rules of the Senate or the House of Representatives, to which nine or more members of the Commission may agree, together with drafts of—

(1) any legislation (including technical and conforming provisions) recommended by the Commission to implement such recommendations; and

(2) any proposed amendment to the Constitution recommended by the Commission as necessary to implement such recommendations, except that if the Commission includes such a proposed amendment in its report, it shall also include recommendations (and drafts) for legislation which may be implemented prior to the adoption of such proposed amendment.

(c) GOALS OF RECOMMENDATIONS AND LEGISLATION.—In making recommendations and preparing drafts of legislation under this section, the Commission shall consider the following to be its primary goals:

(1) Encouraging fair and open Federal elections which provide voters with meaningful information about candidates and issues.

(2) Eliminating the disproportionate influence of special interest financing of Federal elections.

(3) Creating a more equitable electoral system for challengers and incumbents.

SEC. 606. EXPEDITED CONGRESSIONAL CONSIDERATION OF LEGISLATION.

(a) IN GENERAL.—If any legislation is introduced the substance of which implements a recommendation of the Commission submitted under section 605(b) (including a joint resolution proposing an amendment to the Constitution), subject to subsection (b), the provisions of section 2908 (other than subsection (a)) of the Defense Base Closure and Realignment Act of 1990 shall apply to the consideration of the legislation in the same manner as such provisions apply to a joint resolution described in section 2908(a) of such Act.

(b) SPECIAL RULES.—For purposes of applying subsection (a) with respect to such provisions, the following rules shall apply:

(1) Any reference to the Committee on Armed Services of the House of Representatives shall be deemed a reference to the Committee on House Oversight of the House of Representatives and any reference to the Committee on Armed Services of the Senate shall be deemed a reference to the Committee on Rules and Administration of the Senate.

(2) Any reference to the date on which the President transmits a report shall be deemed a reference to the date on which the recommendation involved is submitted under section 605(b).

(3) Notwithstanding subsection (d)(2) of section 2908 of such Act—

(A) debate on the legislation in the House of Representatives, and on all debatable motions and appeals in connection with the legislation, shall be limited to not more than 10 hours, divided equally between those favoring and those opposing the legislation;

(B) debate on the legislation in the Senate, and on all debatable motions and appeals in connection with the legislation, shall be limited to not more than 10 hours, divided equally between those favoring and those opposing the legislation; and

(C) debate in the Senate on any single debatable motion and appeal in connection with the legislation shall be limited to not more than 1 hour, divided equally between the mover and the manager of the bill (except that in the event the manager of the bill is in favor of any such motion of appeal, the time in opposition thereto shall be controlled by the minority leader or his designee), and the majority and minority leader may each allot additional time from time under such leader's control to any Senator during the consideration of any debatable motion or appeal.

SEC. 607. TERMINATION

The Commission shall cease to exist 90 days after the date of the submission of its report under section 605.

SEC. 608. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission such sums as are necessary to carry out its duties under this title.

TITLE VII—PROHIBITING USE OF WHITE HOUSE MEALS AND ACCOMMODATIONS FOR POLITICAL FUNDRAISING

SEC. 701. PROHIBITING USE OF WHITE HOUSE MEALS AND ACCOMMODATIONS FOR POLITICAL FUNDRAISING.

(a) IN GENERAL.—Chapter 29 of title 18, United States code, is amended by adding at the end the following new section:

''612. Prohibiting use of meals and accommodations at White House for political fundraising

''(a) It shall be unlawful for any person to provide or offer to provide any meals or accommodations at the White House in exchange for any money or other thing of value, or as a reward for the provision of any money or other thing of value, in support of any political party of the campaign for electoral office of any candidate.

''(b) Any person who violates this section shall be fined under this title or imprisoned not more than 3 years, or both.

''(c) For purposes of this section, any official residence or retreat of the President (including private residential areas and the grounds of such a residence or retreat) shall be treated as part of the White House.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end the following new item:

''612. Prohibiting use of meals and accommodations at White House for political fundraising.''.

TITLE VIII—SENSE OF THE CONGRESS REGARDING FUNDRAISING ON FEDERAL GOVERNMENT PROPERTY

SEC. 801. SENSE OF THE CONGRESS REGARDING APPLICABILITY OF CONTROLLING LEGAL AUTHORITY TO FUNDRAISING ON FEDERAL GOVERNMENT PROPERTY.

It is the sense of the Congress that Federal law clearly demonstrates that 'controlling legal authority' under title 18, United States Code, prohibits the use of Federal Government property to raise campaign funds.

TITLE IX—PROHIBITING SOLICITATION TO OBTAIN ACCESS TO CERTAIN FEDERAL GOVERNMENT PROPERTY

SEC. 901. PROHIBITION AGAINST ACCEPTANCE OR SOLICITATION TO OBTAIN ACCESS TO CERTAIN FEDERAL GOVERNMENT PROPERTY.

(a) IN GENERAL.—Chapter 11 of title 18, United States Code, is amended by adding at the end the following new section:''

ACCEPTANCE OR SOLICITATION TO OBTAIN ACCESS TO CERTAIN FEDERAL GOVERNMENT PROPERTY

''SEC. 226. Whoever solicits or receives anything of value in consideration of providing a person with access to Air Force One, Marine One, Air Force Two, Marine Two, the White House, or the Vice President's residence, shall be fined under this title, or imprisoned not more than one year, or both.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 18, United States Code, is amended by adding at the end the following new item:

''226. Acceptance or solicitation to obtain access to certain Federal Government property.''.

TITLE X—REIMBURSEMENT FOR USE OF GOVERNMENT PROPERTY FOR CAMPAIGN ACTIVITY

SEC. 1001. REQUIRING NATIONAL PARTIES TO REIMBURSE AT COST FOR USE OF AIR FORCE ONE FOR POLITICAL FUNDRAISING.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), an amended by sections 101, 401, 507, 510, and 515, is further amended by adding at the end the following new section:

''REIMBURSEMENT BY POLITICAL PARTIES FOR USE OF AIR FORCE ONE FOR POLITICAL FUNDRAISING

''SEC. 328. (a) IN GENERAL. If the President, Vice President, or the head of any executive department (as defined in section 101 of title 5, United States Code) uses Air Force One for transportation for any travel which includes a fundraising event for the benefit of any political committee of a national political party, such political committee shall reimburse the Federal Government for the fair market value of the transportation of the individual involved, based on the cost of an equivalent commercial chartered flight.

''(b) AIR FORCE ONE DEFINED.—In subsection (a), the term 'Air Force One' means the airplane operated by the Air Force which has been specially configured to carry out the mission of transporting the President.''.

TITLE XI—PROHIBITING USE OF WALKING AROUND MONEY

SEC. 1101. PROHIBITING CAMPAIGNS FROM PROVIDING CURRENCY TO INDIVIDUALS FOR PURPOSES OF ENCOURAGING TURNOUT ON DATE OF ELECTION.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, 507, 510, 515, and 1001, is further amended by adding at the end the following new section:

''PROHIBITING USE OF CURRENCY TO PROMOTE ELECTION DAY TURNOUT

''SEC. 329. It shall be unlawful for any political committee to provide currency to any individual (directly or through an agent of the committee) for purposes of encouraging the individual to appear at the polling place for the election.''.

TITLE XII—ENHANCING ENFORCEMENT OF CAMPAIGN LAW

SEC. 1201. ENHANCING ENFORCEMENT OF CAMPAIGN FINANCE LAW.

(a) MANDATORY IMPRISONMENT FOR CRIMINAL CONDUCT.—Section 309(d)(1)(A) of the Federal Election Campaign Act of 1971'' (2 U.S.C. 437g(d)(1)(A)) is amended—

(1) in the first sentence, by striking ''shall be fined, or imprisoned for not more than one year, or both'' and inserting ''shall be imprisoned for not fewer than 1 year and not more than 10 years''; and

(2) by striking the second sentence.

(b) CONCURRENT AUTHORITY OF ATTORNEY GENERAL TO BRING CRIMINAL ACTIONS.—Section 309(d) of such Act (2 U.S.C. 437g(d)) is amended by adding at the end the following new paragraph:

''(4) In addition to the authority to bring cases referred pursuant to subsection (a)(5), the Attorney General may at any time bring a criminal action for a violation of this Act or of chapter 95 chapter 96 of the Internal Revenue Code of 1986.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to actions brought with respect to elections occurring after January 1999.

TITLE XIII—BAN ON COORDINATED SOFT MONEY ACTIVITIES BY PRESIDENTIAL CANDIDATES

SEC. 1301. BAN ON COORDINATION OF SOFT MONEY FOR ISSUE ADVOCACY BY PRESIDENTIAL CANDIDATES RECEIVING PUBLIC FINANCING.

(a) IN GENERAL.—Section 9003 of the Internal Revenue Code of 1986 (26 U.S.C. 9003) is amended by adding at the end the following new subsection.

''(f) BAN ON COORDINATION OF SOFT MONEY FOR ISSUE ADVOCACY.—

''(1) IN GENERAL.—No candidate for election to the office of President or Vice President who is certified to receive amounts from the Presidential Election Fund under this chapter or chapter 96 may coordinate the expenditure of any funds for issue advocacy with

any political party unless the funds are subject to the limitations, prohibitions, and reporting requirements of the Federal Election Campaign Act of 1971.

''(2) ISSUE ADVOCACY DEFINED.—In this section, the term 'issue advocacy' means any activity carried out for the purpose of influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations (without regard to whether the activity is carried out for the purpose of influencing any election for Federal office).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to elections occurring on or after the date of the enactment of this Act.

TITLE XIV—POSTING NAMES OF CERTAIN AIR FORCE ONE PASSENGERS ON INTERNET

SEC. 1401. REQUIREMENT THAT NAMES OF PASSENGERS ON AIR FORCE ONE AND AIR FORCE TWO BE MADE AVAILABLE THROUGH THE INTERNET.

(a) IN GENERAL.—The President shall make available through the Internet the name of any non-Government person who is a passenger on an aircraft designated as Air Force One or Air Force Two not later than 30 days after the date that the person is a passenger on such aircraft.

(b) EXCEPTION.—Subsection (a) shall not apply in a case in which the President determines that compliance with such subsection would be contrary to the national security interests of the United States. In any such case, not later than 30 days after the date that the person whose name will not be made available through the Internet was a passenger on the aircraft, the President shall submit to the chairman and ranking member of the Permanent Select Committee on Intelligence of the House of Representatives and of the Select Committee on Intelligence of the Senate—

(1) the name of the person; and

(2) the justification for not making such name available through the Internet.

(c) DEFINITION OF PERSON.—As used in this Act, the term ''non-Government person'' means a person who is not an officer or employee of the United States, a member of the Armed Forces, or a Member of Congress.

TITLE XV—EXPULSION PROCEEDINGS F0R HOUSE MEMBERS RECEIVING FOREIGN CONTRIBUTIONS

SEC. 1501. PERMITTING CONSIDERATION OF PRIVILEGED MOTION TO EXPEL HOUSE MEMBER ACCEPTING ILLEGAL FOREIGN CONTRIBUTION.

(a) IN GENERAL.—If a Member of the House of Representatives is convicted of a violation of section 319 of the Federal Election Campaign Act of 1971 (or any successor provision prohibiting the solicitation, receipt, or acceptance of a contribution from a foreign national), the Committee on Standards of Official Conduct, shall immediately consider the conduct of the Member and shall make a report and recommendations to the House forthwith concerning that Member which may include a recommendation for expulsion.

(b) EXERCISE OF RULEMAKING AUTHORITY.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives, and as such it is deemed a part of the rules of the House of Representatives, and it supersedes other rules only to the extent that it is inconsistent therewith; and

(2) with full recognition of the constitutional right of the House of Representatives to change the rule at any time, in the same manner and to the same extent as in the case of any other rule of the House of Representatives.

TITLE XVI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

SEC. 1601. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 1602. REVIEW OF CONSTITUTIONAL ISSUES.

An appeal may be taken directly to the Supreme court of the United States from any final judgment, decree, or order issued by any Court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

SEC. 1603. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect upon the expiration of the 90-day period which begins on the date of the enactment of this Act.

SEC. 1604. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act and the amendments made by this Act not later than 45 days after the date of the enactment of this Act.

SEC. DISCLOSURE REQUIREMENTS FOR CERTAIN MONEY EXPENDITURES OF POLITICAL PARTIES.

(a) TRANSFERS OF FUNDS BY NATIONAL POLITICAL PARTIES.—Section 304(b)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended—

(1) by striking ''and'' at the end of subparagraph (H);

(2) by adding ''and'' at the end of subparagraph (I); and

(3) by adding at the end the following new subparagraph.:

''(J) in the case of a political committee of a national political party, all funds transferred to any political committee of a State or local political party, without regard to whether or not the funds are otherwise treated as contributions or expenditures under this title;''.

(b) DISCLOSURE BY STATE AND LOCAL POLITICAL PARTIES OF INFORMATION, REPORTED UNDER STATE LAW.—Section 304 of Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by section 4, is amended by adding at the end the following:—

''(e) If a political committee of a State or local political party is required under a State or local law to submit a report to an entity of State or local government regarding its disbursements, the committee shall file a copy of the report with the Commission at the same time it submits the report to such entity.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to elections occurring after January 2001.

SEC. . PROMOTING EXPEDITED AVAILABILITY OF FEC REPORTS.

(a) MANDATORY ELECTRONIC FILING.—Section 304(a)(11)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(11)(A)) is amended by striking ''permit reports required by'' and inserting ''require reports under.''

(b) REQUIRING REPORTS FOR ALL CONTRIBUTIONS MADE TO ANY POLITICAL COMMITTEE WITHIN 90 DAYS OF ELECTION; REQUIRING REPORTS TO BE MADE WITHIN 24 HOURS.—Section 304(a)(6) of Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(6)) is amended to read as follows:

''(6)(A) Each political committee shall notify the Secretary or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution received by the committee during the period which begins on the 90th day before an election and ends at the time the polls close for such election. This notification shall be made within 24 hours (or, if earlier, by midnight of the day on which the contribution is deposited) after the receipt of such contribution and shall include the name of the candidate involved (as appropriate) and the office sought by the candidate, the identification of the contributor, and the date of receipt and amount of the contribution.

''(B) The notification required under this paragraph shall be in addition to all other reporting requirements under this Act.''.

(c) INCREASING ELECTRONIC DISCLOSURE.—Section 304 of Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)), as amended by section 6(b), is amended by adding at the end the following:

''(f) The Commission shall make the information contained in the reports submitted under this section available on the Internet and publicly available at the offices of the Commission as soon as practicable (but in no case later than 24 hours) after the information is received by the Commission.''.

(d) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to reports for periods beginning on or after January 2, 2001.

AMENDMENT NO. 2377

At the appropriate place, insert the following:

SEC. . MINIMUM WAGE.

(a) INCREASE.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.65 an hour during the year beginning on January 1, 2000; and

''(B) $6.15 an hour beginning on January 1, 2001;''.

(b) APPLICATION TO COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—The provisions of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

AMENDMENT NO. 2378

On page 41, between lines 21 and 22, insert the following:

''(iii) LABOR AGREEMENT REQUIRED.—The President may not designate a country as a CBTEA beneficiary country until the President has negotiated with that country a side agreement concerning labor standards, similar to the North American Agreement on Labor Cooperation (as defined in section 532(b)(2) of the Trade Agreement Act of 1979 (19 U.S.C. 3471(b)(2)), and submitted the agreement to the Congress.

AMENDMENT NO. 2379

At the appropriate place, insert the following:

SEC. . LABOR AGREEMENT REQUIRED.

The benefits provided by the amendments made by this Act shall not become available to any country until—

(1) the President has negotiated with that country a side agreement concerning labor standards, similar to the North American Agreement on Labor Cooperation (as defined in section 532(b)(2) of the Trade Agreements Act of 1979 (19 U.S.C. 3471(b)(2)); and

(2) submitted that agreement to the Congress.

AMENDMENT NO. 2380

On page 13, strike lines 1 through 7 and insert the following:

''(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 4 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.

''(d) LABOR REQUIREMENT.—The President may not designate a country listed in section 4 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b) until the President has negotiated with that country a side agreement concerning labor standards, similar to the North American Agreement on Labor Cooperation (as defined in section 532(b)(2) of the Trade Agreements Act of 1979 (19 U.S.C. 3471(b)(2)), and submitted those agreements to the Congress.''.

AMENDMENT NO. 2381

At the appropriate place in the bill, insert the following:

SEC. . LABOR AND ENVIRONMENTAL AGREEMENTS REQUIRED.

The benefits provided by the amendments made by this Act shall not be available to any country until the President has negotiated with that country a side agreement concerning—

(1) labor standards similar to the North American Agreement on Labor Cooperation (as defined in section 532(b)(2) of the Trade Agreements Act of 1979 (19 U.S.C. 3471(b)(2)), and

(2) the environment similar to the Border Environment Cooperation Agreement (as defined in section 533(c)(1) of the Trade Agreements Act of 1979 (19 U.S.C. 3473(c)(1)), and

submitted those agreements to the Congress.

AMENDMENT NO. 2382

At the appropriate place insert the following:

SEC. . TERMINATION OF BENEFITS IF DOMESTIC INDUSTRY SUFFERS.

The benefits provided by this Act and the amendments made by this Act shall terminate immediately if the Bureau of Labor Statistics determines that United States textile and apparel industries have lost 50,000 or more jobs at any time during the first 24 months after the date of enactment of this Act.

AMENDMENT NO. 2383

At the appropriate place insert the following:

SEC. . TERMINATION OF BENEFITS IF DOMESTIC INDUSTRY SUFFERS.

The benefits provided by this Act and the amendments made by this Act shall terminate immediately if the Bureau of Labor Statistics determines that United States textile and apparel industries have lost 100,000 or more jobs at any time during the first 24 months after the date of enactment of this Act.

AMENDMENT NO. 2384

On page 41, between lines 21 and 22, insert the following:

''(iii) ENVIRONMENTAL AGREEMENT REQUIRED.—The President may not designate a country as a CBTEA beneficiary country until the President has negotiated with that country a side agreement concerning the environment, similar to the Border Environment Cooperation Agreement (as defined in section 533(c)(1) of the Trade Agreements Act of 1979 (19 U.S.C. 3473(e)(1)), and submitted that agreement to the Congress.

AMENDMENT NO. 2385

At the appropriate place in the bill, insert the following:

SEC. . ENVIRONMENTAL AGREEMENT REQUIRED.

The benefits provided by the amendments made by this Act shall not be available to any country until—

(1) the President has negotiated with that country a side agreement concerning the environment, similar to the Border Environment Cooperation Agreement (as defined in section 533(c)(1) of the Trade Agreements Act of 1979 (19 U.S.C. 3473(e)(1)); and

(2) submitted that agreement to the Congress.

AMENDMENT NO. 2386

On page 13, strike lines 1 through 7 and insert the following:

''(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 4 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.

''(d) ENVIRONMENT REQUIREMENT.—The President may not designate a country listed in section 4 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b) until the President has negotiated with that country a side agreement concerning the environment, similar to the Border Environment Cooperation Agreement (as defined in section 533(c)(1) of the Trade Agreements Act of 1979 (19 U.S.C. 3473(c)(1)), and submitted the agreement to the Congress.''.

AMENDMENT NO. 2387

At the appropriate place in the bill, insert the following:

SEC. . RECIPROCAL TRADE AGREEMENTS REQUIRED.

The benefits provided by the amendments made by this Act shall not be available to any country until the President has negotiated, obtained, and implemented an agreement with that country providing tariff concessions for the importation of United States-made goods that reduces any such import tariffs to a rate that is within 20 percent of the rates applicable to Mexico under the North American Free Trade Agreement for imports of United States-made goods.

AMENDMENT NO. 2388

On page 13, strike lines 1 through 7 and insert the following:

''(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 4 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.

''(d) MINIMUM WAGE REQUIREMENT.—The President may not designate a country listed in section 4 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b) unless the President determines that—

''(1) the country has established by law a requirement that employees in that country who are compensated on an hourly basis be compensated at a rate of not less than one dollar per hour; and

''(2) the goods imported from that country under subsection (b) are produced in accordance with that law.''.

AMENDMENT NO. 2389

At the appropriate place, insert the following:

SEC. . MINIMUM WAGE REQUIREMENT.

The benefits provided by the amendments made by this Act shall not be available to any country unless the President determines that—

(1) the country has established by law a requirement that employees in that country who are compensated on an hourly basis be compensated at a rate of not less than $1 per hour; and

(2) the goods imported from that country that are eligible for such benefits are produced in accordance with that law.

AMENDMENT NO. 2390

On page 13, strike lines 1 through 7 and insert the following:

''(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 4 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.

''(d) CHILD LABOR REQUIREMENT.—The President may not designate a country listed in section 4 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b) unless the President determines that—

''(1) the country prohibits by law the employment of children under the age of 14 in the manufacture and production of goods; and

''(2) no goods exported from that country to the United States produced in violation of that law receive those benefits.''.

AMENDMENT NO. 2391

At the appropriate place, insert the following:

SEC. . CHILD LABOR LAW REQUIREMENT.

The benefits provided by the amendments made by this Act shall not be available to any country unless the President determines that—

(1) the country prohibits by law the employment of children under the age of 14 in the manufacture and production of goods; and

(2) no goods exported from that country to the United States produced in violation of that law receive those benefits.

LEVIN (AND MOYNIHAN) AMENDMENT NO. 2392

(Ordered to lie on the table.)

Mr. LEVIN (for himself and Mr. MOYNIHAN) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra; as follows:

On page 36, beginning on line 3, strike all through page 41, line 21, and insert the following:

''(B) CBTEA BENEFICIARY COUNTRY.—The term 'CBTEA beneficiary country' means any 'beneficiary country', as defined by section 212(a)(1)(A) of this title, which the President designates as a CBTEA beneficiary country, taking into account the following criteria:

''(i) Whether a beneficiary country has demonstrated a commitment to—

''(I) undertake its obligations under the WTO on or ahead of schedule;

''(II) participate in negotiations toward the completion of the FTAA or a comparable trade agreement; and

''(III) undertake other steps necessary for that country to become a party to the FTAA or a comparable trade agreement.

''(ii) The extent to which the country follows accepted rules of international trade provided for under the agreements listed in section 101(d) of the Uruguay Round Agreements Act.

''(iii) The extent to which the country provides protection of intellectual property rights—

''(I) in accordance with standards established in the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act;

''(II) in accordance with standards established in chapter 17 of the NAFTA; and

''(III) by granting the holders of copyrights the ability to control the importation and sale of products that embody copyrighted works, extending the period set forth in Article 1711(6) of NAFTA for protecting test data for agricultural chemicals to 10 years, protecting trademarks regardless of their subsequent designation as geographic indications, and providing enforcement against the importation of infringing products at the border.

''(iv) The extent to which the country provides protections to investors and investments of the United States substantially equivalent to those set forth in chapter 11 of the NAFTA.

''(v) The extent to which the country provides the United States and other WTO members nondiscriminatory, equitable, and reasonable market access with respect to the products for which benefits are provided under paragraphs (2) and (3), and in other relevant product sectors as determined by the President.

''(vi) The extent to which the country provides internationally recognized worker rights, including—

''(I) the right of association,

''(II) the right to organize and bargain collectively,

''(III) prohibition on the use of any form of coerced or compulsory labor,

''(IV) a minimum age for the employment of children, and

''(V) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

''(vii) Whether the country has met the counter-narcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance.

''(viii) The extent to which the country becomes a party to and implements the Inter-American Convention Against Corruption, and becomes party to a convention regarding the extradition of its nationals.

''(ix) The extent to which the country—

''(I) supports the multilateral and regional objectives of the United States with respect to government procurement, including the negotiation of government procurement provisions as part of the FTAA and conclusion of a WTO transparency agreement as provided in the declaration of the WTO Ministerial Conference held in Singapore on December 9 through 13, 1996; and

''(II) applies transparent and competitive procedures in government procurement equivalent to those contained in the WTO Agreement on Government Procurement (described in section 101(d)(17) of the Uruguay Round Agreements Act).

''(x) The extent to which the country follows the rules on customs valuation set forth in the WTO Agreement on Implementation of Article VII of the GATT 1994 (described in section 101(d)(8) of the Uruguay Round Agreements Act).

''(xi) The extent to which the country affords to products of the United States which the President determines to be of commercial importance to the United States with respect to such country, and on a nondiscriminatory basis to like products of other WTO members, tariff treatment that is no less favorable than the most favorable tariff treatment provided by the country to any other country pursuant to any free trade agreement to which such country is a party, other than the Central American Common Market or the Caribbean Community and Common Market.

BOXER (AND JEFFORDS) AMENDMENT NO. 2393

(Ordered to lie on the table.)

Mrs. BOXER (for herself and Mr. JEFFORDS) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra; as follows:

At the appropriate place, add the following:

SEC. . (a) FINDINGS.—Congress finds that:

(1) Decertification affects approximately one-sixth of the world's population and one-quarter of the total land area;

(2) Over one million hectares of Africa are affected by desertification;

(3) Dryland degradation is an underlying cause of recurrent famine in Africa;

(4) The United Nations Environment Programme estimates that desertification costs the world $42 billion a year, not including incalculable costs in human suffering; and

(5) The United States can strengthen its partnerships throughout Africa and other nations affected by desertification, help alleviate social and economic crises caused by misuse of natural resources, and reduce dependence on foreign aid, by taking a leading role to combat desertification.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that the United States should expeditiously work with the international community, particularly Africa and other nations affected by desertification, to:

(1) strengthen international cooperation to combat desertification;

(2) promote the development of national and regional strategies to address desertification;

(3) develop and implement national action programs that identify the causes of desertification and measures to address it; and

(4) recognize the essential role of local governments and non-governmental organizations in developing and implementing measures to address by desertification.

JOHNSON AMENDMENT NO. 2394

(Ordered to lie on the table.)

Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following:

SEC. ___LABELING OF IMPORTED MEAT AND MEAT FOOD PRODUCTS.

(a) DEFINITIONS.—Section 1 of the Federal Meat Inspection Act (21 U.S.C. 601) is amended by adding at the end the following:

''(w) BEEF.—The term 'beef' means meat produced from cattle (including veal).

''(x) IMPORTED BEEF.—The term 'imported beef' means beef that is not United States beef, whether or not the beef is graded with a quality grade issued by the Secretary.

''(y) IMPORTED LAMB.—The term 'imported lamb' means lamb that is not United States lamb, whether or not the lamb is graded with a quality grade issued by the Secretary.

''(z) IMPORTED PORK.—The term 'imported pork' means pork that is not United States pork.

''(aa) LAMB.—The term 'lamb' means meat, other than mutton, produced from sheep.

''(bb) PORK.—The term 'pork' means meat produced from hogs.

''(cc) UNITED STATES BEEF.—

''(1) IN GENERAL.—The term 'United States beef' means beef produced from cattle slaughtered in the United States.

''(2) EXCLUSION.—The term 'United States beef' does not include beef produced from cattle imported into the United States in sealed trucks for slaughter.

''(dd) UNITED STATES LAMB.—

''(1) IN GENERAL.—The term 'United States lamb' means lamb produced from sheep slaughtered in the United States.

''(2) EXCLUSION.—The term 'United States lamb' does not include lamb produced from sheep imported into the United States in sealed trucks for slaughter.

''(ee) UNITED STATES PORK.—

''(1) IN GENERAL.—The term 'United States pork' means pork produced from hogs slaughtered in the United States.

''(2) EXCLUSION.—The term 'United States pork' does not include pork produced from hogs imported into the United States in sealed trucks for slaughter.''.

(b) MISBRANDING.—Section 1(n) of the Federal Meat Inspection Act (21 U.S.C. 601(n)) is amended—

(1) in paragraph (11), by striking ''or'' at the end;

(2) in paragraph (12), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(13)(A) if it is imported beef, imported lamb, or imported pork offered for retail sale as muscle cuts of beef, lamb, or pork and does not bear a label that identifies its country of origin;

''(B) if it is United States beef, United States lamb, or United States pork offered for retail sale as muscle cuts of beef, lamb, or pork, and does not bear a label that identifies its country of origin; or

''(C) if it is United States or imported ground beef, ground lamb, or ground pork and is not accompanied by labeling that identifies it as United States beef, United States lamb, United States pork, imported beef, imported lamb, imported pork, or other designation that identifies the content of United States beef, imported beef, United States lamb, imported lamb, United States pork, and imported pork contained in the product, as determined by the Secretary.''.

(c) LABELING.—Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

''(g) MANDATORY LABELING.—The Secretary shall provide by regulation that the following offered for retail sale bear a label that identifies its country of origin:

''(1) Muscle cuts of United States beef, United States lamb, United States pork, imported beef, imported lamb, and imported pork.

''(2) Ground beef, ground lamb, and ground pork.

''(h) AUDIT VERIFICATION SYSTEM FOR UNITED STATES AND IMPORTED MUSCLE CUTS OF BEEF, LAMB, AND PORK AND GROUND BEEF, LAMB, AND PORK.—The Secretary may require by regulation that any person that prepares, stores, handles, or distributes muscle cuts of United States beef, imported beef, United States lamb, imported lamb, United States pork, imported pork, ground beef, ground lamb, or ground pork for retail sale maintain a verifiable recordkeeping audit

trail that will permit the Secretary to ensure compliance with the regulations promulgated under subsection (g).''.

(d) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall promulgate final regulations to carry out the amendments made by this section.

(e) EFFECTIVE DATE.—The amendments made by this section take effect 60 days after the date on which final regulations are promulgated under subsection (e).

SANTORUM (AND BYRD) AMENDMENT NO. 2395

(Ordered to lie on the table.)

Mr. SANTORUM (for himself, and Mr. BYRD) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new section:

SEC. ___. MORATORIUM ON ANTIDUMPING AND COUNTERVAILING DUTY AGREEMENTS.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Senate is deeply concerned that, in connection with the World Trade Organization (''WTO'') Ministerial meeting to be held in Seattle, Washington, and the multilateral trade negotiations expected to follow, a few countries are seeking to circumvent the agreed list of negotiating topics and reopen debate over the WTO's antidumping and antisubsidy rules.

(2) Strong antidumping and antisubsidy rules are a cornerstone of the liberal trade policy of the United States and are essential to the health of the manufacturing and farm sectors in the United States.

(3) It has long been and remains the policy of the United States to support its antidumping and antisubsidy laws and to defend those laws in international negotiations.

(4) The WTO antidumping and antisubsidy rules concluded in the Uruguay Round have scarcely been tested since they entered into effect and certainly have not proved defective.

(5) Opening these rules to renegotiation could only lead to weakening them, which would in turn lead to even greater abuse of the world's open markets, particularly that of the United States.

(6) Conversely, avoiding another divisive fight over these rules is the best way to promote progress on the other, far more important, issues facing WTO members.

(7) It is therefore essential that negotiations on these antidumping and antisubsidy matters not be reopened under the auspices of the WTO or otherwise.

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

(1) not participate in any international negotiation in which antidumping or antisubsidy rules are part of the negotiating agenda;

(2) refrain from submitting for congressional approval agreements that require changes to the current antidumping and countervailing duty laws and enforcement policies of the United States; and

(3) enforce the antidumping and countervailing duty laws vigorously in all pending and future cases.

BROWNBACK AMENDMENT NO. 2396

(Ordered to lie on the table.)

Mr. BROWNBACK submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the end of the bill, insert the following new title:

TITLE ___—RECIPROCAL TRADE AGREEMENTS

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Reciprocal Trade Agreements Act of 1999''.

SEC. ___02. TRADE NEGOTIATING OBJECTIVES OF THE UNITED STATES.

(a) STATEMENT OF PURPOSES.—The purposes of this title are to achieve, through trade agreements affording mutual benefits—

(1) more open, equitable, and reciprocal market access for United States goods, services, and investment;

(2) the reduction or elimination of barriers and other trade-distorting policies and practices;

(3) a more effective system of international trading disciplines and procedures; and

(4) economic growth, higher living standards, and full employment in the United States, and economic growth and development among United States trading partners.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—The principal trade negotiating objectives of the United States for agreements subject to the provisions of section ___03 include the following:

(1) REDUCTION OF BARRIERS TO TRADE IN GOODS.—The principal negotiating objective of the United States regarding barriers to trade in goods is to obtain competitive opportunities for United States exports in foreign markets substantially equivalent to the opportunities afforded foreign exports to United States markets, including the reduction or elimination of tariff and nontariff trade barriers, including—

(A) tariff and nontariff disparities remaining from previous rounds of multilateral trade negotiations that have put United States exports at a competitive disadvantage in world markets;

(B) measures identified in the annual report prepared under section 181 of the Trade Act of 1974 (19 U.S.C. 2241); and

(C) tariff elimination for products identified in section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)) and the accompanying Statement of Administrative Action related to that section.

(2) TRADE IN SERVICES.—

(A) The principal negotiating objectives of the United States regarding trade in services are—

(i) to reduce or eliminate barriers to, or other distortions of, international trade in services, including regulatory and other barriers that deny national treatment or unreasonably restrict the establishment and operation of service suppliers in foreign markets; and

(ii) to develop internationally agreed rules, including dispute settlement procedures, that—

(I) are consistent with the commercial policies of the United States, and

(II) will reduce or eliminate such barriers or distortions, and help ensure fair, equitable opportunities for foreign markets.

(B) In pursuing the negotiating objectives described in subparagraph (A), United States negotiators shall take into account legitimate United States domestic objectives, including protection of legitimate health, safety, essential security, environmental, consumer, and employment opportunity interests. The preceding sentence shall not be construed to authorize any modification of United States law.

(3) FOREIGN INVESTMENT.—

(A) The principal negotiating objectives of the United States regarding foreign investment are—

(i) to reduce or eliminate artificial or trade-distorting barriers to foreign investment, to expand the principle of national treatment, and to reduce unreasonable barriers to establishment; and

(ii) to develop internationally agreed rules through the negotiation of investment agreements, including dispute settlement procedures, that—

(I) will help ensure a free flow of foreign investment, and

(II) will reduce or eliminate the trade distortive effects of certain trade-related investment measures.

(B) In pursuing the negotiating objectives described in subparagraph (A), United States negotiators shall take into account legitimate United States domestic objectives, including protection of legitimate health, safety, essential security, environmental, consumer, and employment opportunity interests. The preceding sentence shall not be construed to authorize any modification of United States law.

(4) INTELLECTUAL PROPERTY.—The principal negotiating objectives of the United States regarding intellectual property are—

(A) to further promote adequate and effective protection of intellectual property rights, by—

(i) seeking the enactment and effective enforcement by foreign countries of laws that—

(I) recognize and adequately protect intellectual property, including copyrights, patents, trademarks, semiconductor chip layout designs, and trade secrets, and

(II) provide protection against unfair competition;

(ii) accelerating and ensuring the full implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)), and achieving improvements in the standards of that Agreement;

(iii) providing strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property;

(iv) preventing or eliminating discrimination with respect to matters affecting the availability, acquisition, scope, maintenance, use, and enforcement of intellectual property rights; and

(v) providing for strong enforcement of intellectual property rights through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms;

(B) to secure fair, equitable, and nondiscriminatory market access opportunities for United States persons that rely on intellectual property protection; and

(C) to recognize that the inclusion in the WTO of—

(i) adequate and effective substantive norms and standards for the protection and enforcement of intellectual property rights, and

(ii) dispute settlement provisions and enforcement procedures,

is without prejudice to other complementary initiatives undertaken in other international organizations.

(5) AGRICULTURE.—The principal negotiating objectives of the United States with respect to agriculture are, in addition to those set forth in section 1123(b) of the Food Security Act of 1985 (7 U.S.C. 1736r(b)), to achieve, on an expedited basis to the maximum extent feasible, more open and fair conditions of trade in agricultural commodities by—

(A) developing, strengthening, and clarifying rules for agricultural trade, including disciplines on restrictive or trade-distorting import and export practices such as those that would impact perishable or cyclical products;

(B) increasing United States agricultural exports by eliminating barriers to trade (including transparent and nontransparent barriers) and reducing or eliminating the subsidization of agricultural production consistent with the United States policy of agricultural stabilization in cyclical and unpredictable markets;

(C) creating a free and more open world agricultural trading system by resolving questions pertaining to export and other trade-distorting subsidies, market pricing, and market access;

(D) eliminating or reducing substantially other specific constraints to fair trade and more open market access, such as tariffs, quotas, and other nontariff practices; and

(E) developing, strengthening, and clarifying rules that address practices that unfairly decrease United States market access opportunities or distort agricultural markets to the detriment of the United States, including—

(i) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms, including lack of price transparency;

(ii) unjustified restrictions or commercial requirements affecting new technologies, including biotechnology;

(iii) unjustified sanitary or phytosanitary restrictions;

(iv) other unjustified technical barriers to trade; and

(v) restrictive rules in the administration of tariff-rate quotas.

(6) UNFAIR TRADE PRACTICES.—The principal negotiating objectives of the United States with respect to unfair trade practices are—

(A) to enhance the operation and effectiveness of the relevant Uruguay Round Agreements and any other agreements designed to define, deter, discourage the persistent use of, and otherwise discipline, unfair trade practices having adverse trade effects, including forms of subsidy and dumping not adequately disciplined, such as resource input subsidies, diversionary dumping, dumped or subsidized inputs, third country dumping, circumvention of antidumping or countervailing duty orders, and export targeting practices; and

(B) to obtain the enforcement of WTO rules against—

(i) trade-distorting practices of state trading enterprises, and

(ii) the acts, practices, or policies of any foreign government which, as a practical matter, unreasonably require that—

(I) substantial direct investment in the foreign country be made,

(II) intellectual property be licensed to the foreign country or to any firm of the foreign country, or

(III) other collateral concessions be made, as a condition for the importation of any product or service of the United States into the foreign country or as a condition for carrying on business in the foreign country.

(7) SAFEGUARDS.—The principal negotiating objectives of the United States regarding safeguards are—

(A) to improve and expand rules and procedures covering safeguard measures;

(B) to ensure that safeguard measures are—

(i) transparent,

(ii) temporary,

(iii) degressive, and

(iv) subject to review and termination when no longer necessary to remedy injury and to facilitate adjustment; and

(C) to require notification of, and to monitor the use by, WTO members of import relief actions for their domestic industries.

(8) IMPROVEMENT OF THE WTO AND MULTILATERAL TRADE AGREEMENTS.—The principal negotiating objectives of the United States regarding the improvement of the WTO and other multilateral trade agreements are—

(A) to improve the operation and extend the coverage of the WTO and such agreements to products, sectors, and conditions of trade not adequately covered; and

(B) to expand country participation in particular agreements, where appropriate.

(9) DISPUTE SETTLEMENT.—The principal negotiating objectives of the United States with respect to dispute settlement are—

(A) to provide for effective and expeditious dispute settlement mechanisms and procedures in any trade agreement entered into under this authority; and

(B) to ensure that such mechanisms within the WTO and agreements concluded under the auspices of the WTO provide for more effective and expeditious resolution of disputes and enable better enforcement of United States rights.

(10) TRANSPARENCY.—The principal negotiating objective of the United States regarding transparency is to obtain broader application of the principle of transparency through increased public access to information regarding trade issues, clarification of the costs and benefits of trade policy actions, and the observance of open and equitable procedures by United States trading partners and within the WTO.

(11) DEVELOPING COUNTRIES.—The principal negotiating objectives of the United States regarding developing countries are—

(A) to ensure that developing countries promote economic development by assuming the fullest possible measure of responsibility for achieving and maintaining an open international trading system by providing reciprocal benefits and assuming equivalent obligations with respect to their import and export practices; and

(B) to establish procedures for reducing nonreciprocal trade benefits for the more advanced developing countries.

(12) CURRENT ACCOUNT SURPLUSES.—The principal negotiating objective of the United States regarding current account surpluses is to promote policies to address large and persistent global current account imbalances of countries (including imbalances which threaten the stability of the international trading system), by imposing greater responsibility on such countries to undertake policy changes aimed at restoring current account equilibrium through expedited implementation of trade agreements where feasible and appropriate.

(13) ACCESS TO HIGH TECHNOLOGY.—

(A) The principal negotiating objective of the United States regarding access to high technology is to obtain the elimination or reduction of foreign barriers to, and acts, policies, or practices by foreign governments which limit, equitable access by United States persons to foreign-developed technology, including barriers, acts, policies, or practices which have the effect of—

(i) restricting the participation of United States persons in government-supported research and development projects;

(ii) denying equitable access by United States persons to government-held patents;

(iii) requiring the approval of government entities, or imposing other forms of government intervention, as a condition of granting licenses to United States persons by foreign persons (other than approval which may be necessary for national security purposes to control the export of critical military technology); and

(iv) otherwise denying equitable access by United States persons to foreign-developed technology or contributing to the inequitable flow of technology between the United States and its trading partners.

(B) In pursuing the negotiating objective described in subparagraph (A), the United States negotiators shall take into account United States Government policies in licensing or otherwise making available to foreign persons technology and other information developed by United States laboratories.

(14) BORDER TAXES.—The principal negotiating objective of the United States regarding border taxes is, within the WTO, to obtain a revision of the treatment of border adjustments for internal taxes in order to redress the disadvantage to countries that rely primarily on direct taxes rather than indirect taxes for revenue.

(15) REGULATORY COMPETITION.—The principal trade negotiating objectives of the United States regarding the use of government regulation or other practices by foreign governments to provide a competitive advantage to their domestic producers, service providers, or investors and thereby reduce market access for United States goods, services, and investment are—

(A) to ensure that government regulation and other government practices do not unfairly discriminate against United States goods, services, or investment; and

(B) to prevent the use of foreign government regulation and other government practices, including the lowering of, or derogation from, existing labor (including child labor), health and safety, or environmental standards, for the purpose of attracting investment or inhibiting United States exports.

Nothing in subparagraph (B) shall be construed to authorize in an implementing bill, or in an agreement subject to an implementing bill, the inclusion of provisions that would restrict the autonomy of the United States in these areas.

(c) INTERNATIONAL ECONOMIC POLICY OBJECTIVES DESIGNED TO REINFORCE THE TRADE AGREEMENTS PROCESS.—

(1) IN GENERAL.—It is the policy of the United States to reinforce the trade agreements process by—

(A) fostering stability in international currency markets and developing mechanisms to assure greater coordination, consistency, and cooperation between international trade and monetary systems and institutions in order to protect against the trade consequences of significant and unanticipated currency movements;

(B) supplementing and strengthening standards for protection of intellectual property rights under conventions designed to protect such rights that are administered by international organizations other than the WTO, expanding the conventions to cover new and emerging technologies, and eliminating discrimination and unreasonable exceptions or preconditions to such protection;

(C) promoting respect for workers' rights, by—

(i) reviewing the relationship between workers' rights and the operation of international trading systems and specific trade arrangements; and

(ii) seeking to establish in the International Labor Organization (referred to in this title as the ''ILO'') a mechanism for the systematic examination of, and reporting on, the extent to which ILO members promote and enforce the freedom of association, the right to organize and bargain collectively, a prohibition on the use of forced labor, a prohibition on exploitative child labor, and a prohibition on discrimination in employment; and

(D) expanding the production of goods and trade in goods and services to ensure the optimal use of the world's resources, while seeking to protect and preserve the environment and to enhance the international means for doing so.

(2) APPLICATION OF PROCEDURES.—Nothing in this subsection shall be construed to authorize the use of the trade agreement approval procedures described in section ___03 to modify United States law.

SEC. ___03. TRADE AGREEMENT NEGOTIATING AUTHORITY.

(a) AGREEMENTS REGARDING TARIFF BARRIERS.—

(1) IN GENERAL.—Whenever the President determines that 1 or more existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes, policies, and objectives of this title will be promoted thereby, the President—

(A) may enter into trade agreements with foreign countries before—

(i) October 1, 2001, or

(ii) October 1, 2005, if the authority provided by this title is extended under subsection (c); and

(B) may, consistent with paragraphs (2) through (5), proclaim—

(i) such modification or continuance of any existing duty,

(ii) such continuance of existing duty-free or excise treatment, or

(iii) such additional duties,

as the President determines to be required or appropriate to carry out any such trade agreement.

(2) LIMITATIONS.—No proclamation may be made under paragraph (1) that—

(A) reduces any rate of duty (other than a rate of duty that does not exceed 5 percent ad valorem on the date of enactment of this Act) to a rate which is less than 50 percent of the rate of such duty that applies on such date of enactment;

(B) provides for a reduction of duty on an article to take effect on a date that is more than 10 years after the first reduction that is proclaimed to carry out a trade agreement with respect to such article; or

(C) increases any rate of duty above the rate that applied on the date of enactment of this Act.

(3) AGGREGATE REDUCTION; EXEMPTION FROM STAGING.—

(A) AGGREGATE REDUCTION.—Except as provided in subparagraph (B), the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement entered into under paragraph (1) shall not exceed the aggregate reduction which would have been in effect on such day if—

(i) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed under paragraph (1) to carry out such agreement with respect to such article; and

(ii) a reduction equal to the amount applicable under clause (i) had taken effect at 1-year intervals after the effective date of such first reduction.

(B) EXEMPTION FROM STAGING.—No staging under subparagraph (A) is required with respect to a rate reduction that is proclaimed under paragraph (1) for an article of a kind that is not produced in the United States. The United States International Trade Commission shall advise the President of the identity of articles that may be exempted from staging under this subparagraph.

(4) ROUNDING.—If the President determines that such action will simplify the computation of reductions under paragraph (3), the President may round an annual reduction by the lesser of—

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or

(B) one-half of 1 percent ad valorem.

(5) OTHER LIMITATIONS.—A rate of duty reduction or increase that may not be proclaimed by reason of paragraph (2) may take effect only if a provision authorizing such reduction or increase is included within an implementing bill provided for under section ___05 and that bill is enacted into law.

(6) EXPANDED TARIFF PROCLAMATION AUTHORITY.—

(A) IN GENERAL.—Notwithstanding the provisions of paragraphs (1) through (5), before October 1, 2001 (or before October 1, 2005, if the authority provided by this title is extended under subsection (c)), and subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act (19 U.S.C. 3524) and the notification and consultation requirements of section ___04(a) of this title, the President may proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX, as defined in section 2(5) of the Uruguay Round Agreements Act, if the United States has agreed to such modification or staged rate reduction in a negotiation for the reciprocal elimination or harmonization of duties, within the same tariff categories, under the auspices of the World Trade Organization or as part of an interim agreement leading to the formation of a regional free-trade area.

(B) NOTICE REQUIRED.—The modification or staged rate reduction authorized under subparagraph (A) with respect to any negotiation initiated after the date of enactment of this Act may be proclaimed only on articles in tariff categories with respect to which the President has provided notice in accordance with section ___04(a).

(7) TARIFF MODIFICATIONS UNDER URUGUAY ROUND AGREEMENTS ACT.—Nothing in this subsection shall limit the authority provided to the President under section 111(b) of the Uruguay Round Agreements Act.

(b) AGREEMENTS REGARDING TARIFF AND NONTARIFF BARRIERS.—

(1) IN GENERAL.—

(A) DETERMINATION BY PRESIDENT.—Whenever the President determines that—

(i) any duty or other import restriction imposed by any foreign country or the United States or any other barrier to, or other distortion of, international trade—

(I) unduly burdens or restricts the foreign trade of the United States or adversely affects the United States economy, or

(II) is likely to result in such a burden, restriction, or effect, and

(ii) the purposes, policies, and objectives of this title will be promoted thereby,

the President may, before October 1, 2001 (or before October 1, 2005, if the authority provided under this title is extended under subsection (c)) enter into a trade agreement described in subparagraph (B).

(B) TRADE AGREEMENT DESCRIBED.—A trade agreement described in this subparagraph means an agreement with a foreign country that provides for—

(i) the reduction or elimination of such duty, restriction, barrier, or other distortion; or

(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(2) CONDITIONS.—A trade agreement may be entered into under this subsection only if—

(A) such agreement makes progress in meeting the applicable objectives described in section ___02(b); and

(B) the President satisfies the conditions set forth in section ___04 with respect to such agreement.

(3) BILLS QUALIFYING FOR TRADE AGREEMENT APPROVAL PROCEDURES.—The provisions of section 151 of the Trade Act of 1974 (in this title referred to as ''trade agreement approval procedures'') apply to implementing bills submitted with respect to trade agreements entered into under this subsection, except that, for purposes of applying section 151(b)(1), such implementing bills shall contain only—

(A) provisions that approve a trade agreement entered into under this subsection that achieves one or more of the principal negotiating objectives set forth in section ___02(b) and the statement of administrative action (if any) proposed to implement such trade agreement;

(B) provisions that are—

(i) necessary to implement such agreement; or

(ii) otherwise related to the implementation, enforcement, and adjustment to the effects of such trade agreement and are directly related to trade; and

(C) provisions necessary for purposes of complying with section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 in implementing the applicable trade agreement.

(c) EXTENSION PROCEDURES.—

(1) IN GENERAL.—Except as provided in section ___05(b)—

(A) subsections (a) and (b) shall apply with respect to agreements entered into before October 1, 2001; and

(B) subsections (a) and (b) shall be extended to apply with respect to agreements entered into on or after October 1, 2001, and before October 1, 2005, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of Congress adopts an extension disapproval resolution under paragraph (5) before October 1, 2001.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the authority under subsections (a) and (b) should be extended, the President shall submit to Congress, not later than July 1, 2001, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsections (a) and (b) and, where applicable, the anticipated schedule for submitting such agreements to Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, and objectives set out in section ___02 (a) and (b) of this title, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) REPORT TO CONGRESS BY THE ADVISORY COMMITTEE.—The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of the President's decision to submit a report to Congress under paragraph (2). The Advisory Committee shall submit to Congress as soon as practicable, but not later than August 1, 2001, a written report that contains—

(A) its views regarding the progress that has been made in negotiations to achieve the purposes, policies, and objectives of this title; and

(B) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(4) REPORTS MAY BE CLASSIFIED.—The reports submitted to Congress under paragraphs (2) and (3), or any portion of the reports, may be classified to the extent the President determines appropriate.

(5) EXTENSION DISAPPROVAL RESOLUTIONS.—

(A) IN GENERAL.—For purposes of this subsection, the term ''extension disapproval resolution'' means a resolution of either House

of Congress, the sole matter after the resolving clause of which is as follows: ''That the ____ disapproves the request of the President for an extension, under section ____03(c) of the Reciprocal Trade Agreements Act of 1999, of _____ after September 30, 2001.'', with the first blank space being filled with the name of the resolving House of Congress and the second blank space being filled with one or both of the following phrases: ''the tariff proclamation authority provided under section ____03(a) of the Reciprocal Trade Agreements Act of 1999'' or ''the trade agreement approval procedures provided under section ____03(b) of the Reciprocal Trade Agreements Act of 1999''.

(B) INTRODUCTION AND REFERRAL.—Extension disapproval resolutions—

(i) may be introduced in either House of Congress by any member of such House;

(ii) shall be jointly referred, in the House of Representatives, to the Committee on Ways and Means and the Committee on Rules; and

(iii) shall be referred, in the Senate, to the Committee on Finance.

(C) FLOOR CONSIDERATION.—The provisions of sections 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) COMMITTEE ACTION REQUIRED.—It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules; or

(iii) either House of Congress to consider an extension disapproval resolution after September 30, 2001.

SEC. ____04. NOTICE AND CONSULTATIONS.

(a) NOTICE AND CONSULTATION BEFORE NEGOTIATION.—With respect to any agreement subject to the provisions of section ____03 (a) or (b), the President shall—

(1) not later than 90 calendar days before initiating negotiations, provide written notice to Congress regarding—

(A) the President's intent to initiate the negotiations;

(B) the date the President intends to initiate such negotiations;

(C) the specific United States objectives for the negotiations; and

(D) whether the President intends to seek an agreement or changes to an existing agreement;

(2) consult regarding the negotiations—

(A) before and promptly after submission of the notice described in paragraph (1), with the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and such other committees of the House and Senate as the President deems appropriate; and

(B) with any other committee that requests consultations in writing; and

(3) consult with the appropriate industry sector advisory groups established under section 135 of the Trade Act of 1974 before initiating negotiations.

(b) CONSULTATION WITH CONGRESS BEFORE AGREEMENT ENTERED INTO.—

(1) CONSULTATION.—Before entering into any trade agreement under section ____03 (a) or (b), the President shall consult with—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate; and

(B) each other committee of the House and the Senate, and each joint committee of Congress, which has jurisdiction over legislation involving subject matters that would be affected by the trade agreement.

(2) SCOPE.—The consultation described in paragraph (1) shall include consultation with respect to—

(A) the nature of the agreement;

(B) how and to what extent the agreement will achieve the applicable purposes, policies, and objectives of this title;

(C) where applicable, the implementation of the agreement under section ____05, including whether the agreement includes subject matter for which supplemental implementing legislation may be required which is not subject to trade agreement approval procedures; and

(D) any other agreement the President has entered into or intends to enter into with the country or countries in question.

(c) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement entered into under section ____03(b) of this title shall be provided to the President, Congress, and the United States Trade Representative not later than 30 calendar days after the date on which the President notifies Congress under section ____05(a)(1)(A) of the President's intention to enter into the agreement.

(d) CONSULTATION BEFORE AGREEMENT INITIALED.—In the course of negotiations conducted under this title, the United States Trade Representative shall consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the congressional advisers for trade policy and negotiations appointed under section 161 of the Trade Act of 1974 (19 U.S.C. 2211), the Committee on Finance of the Senate, and the Committee on Ways and Means of the House of Representatives.

SEC. ____05. IMPLEMENTATION OF TRADE AGREEMENTS.

(a) IN GENERAL.—

(1) NOTIFICATION AND SUBMISSION.—Any agreement entered into under section ____03(b) shall enter into force with respect to the United States if (and only if)—

(A) the President, at least 90 calendar days before the day on which the President enters into the trade agreement, notifies the House of Representatives and the Senate of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(B) within 60 calendar days after entering into the agreement, the President submits to Congress a description of those changes to existing laws that the President considers would be required in order to bring the United States into compliance with the agreement;

(C) after entering into the agreement, the President submits a copy of the final legal text of the agreement, together with—

(i) a draft of an implementing bill described in section ____03(b)(3);

(ii) a statement of any administrative action proposed to implement the trade agreement; and

(iii) the supporting information described in paragraph (2); and

(D) the implementing bill is enacted into law.

(2) SUPPORTING INFORMATION.—The supporting information required under paragraph (1)(C)(iii) consists of—

(A) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(B) a statement—

(i) asserting that the agreement makes progress in achieving the applicable purposes, policies, and objectives of this title; and

(ii) setting forth the reasons of the President regarding—

(I) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in clause (i), and why and to what extent the agreement does not achieve other applicable purposes, policies, and objectives;

(II) whether and how the agreement changes provisions of an agreement previously negotiated;

(III) how the agreement serves the interests of United States commerce;

(IV) why the implementing bill qualifies for trade agreement approval procedures under section ____03(b)(3); and

(V) any proposed administrative action.

(3) RECIPROCAL BENEFITS.—To ensure that a foreign country which receives benefits under a trade agreement entered into under section ____03 (a) or (b) is subject to the obligations imposed by such agreement, the President shall recommend to Congress in the implementing bill and statement of administrative action submitted with respect to such agreement that the benefits and obligations of such agreement apply solely to the parties to such agreement, if such application is consistent with the terms of such agreement. The President may also recommend with respect to any such agreement that the benefits and obligations of such agreement not apply uniformly to all parties to such agreement, if such application is consistent with the terms of such agreement.

(b) LIMITATIONS ON TRADE AGREEMENT APPROVAL PROCEDURES.—

(1) DISAPPROVAL OF THE NEGOTIATION.—The trade agreement approval procedures shall not apply to any implementing bill that contains a provision approving any trade agreement that is entered into under section ____03(b) with any foreign country if the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives disapprove of the negotiation of the agreement before the close of the 90-calendar day period that begins on the date notice is provided under section ____04(a)(1) with respect to the negotiation of such agreement.

(2) FOR LACK OF NOTICE OR CONSULTATIONS.—

(A) IN GENERAL.—The trade agreement approval procedures shall not apply to any implementing bill submitted with respect to a trade agreement entered into under section ____03(b) if during the 60-day period beginning on the date that one House of Congress agrees to a procedural disapproval resolution for lack of notice or consultations with respect to that trade agreement, the other House separately agrees to a procedural disapproval resolution with respect to that agreement.

(B) PROCEDURAL DISAPPROVAL RESOLUTION.—For purposes of this paragraph, the term ''procedural disapproval resolution'' means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: ''That the President has failed or refused to notify or consult (as the case may be) with Congress in accordance with sections ____04 and ____05 of the Reciprocal Trade Agreements Act of 1999 with respect to ____ and, therefore, the trade agreement approval procedures set forth in section ____03(b) of that Act shall not apply to any implementing bill submitted with respect to that trade agreement.'', with the blank space being filled with a description of the trade agreement with respect to which the President is considered to have failed or refused to notify or consult.

(C) COMPUTATION OF CERTAIN PERIODS OF TIME.—The 60-day period of time described in subparagraph (A) shall be computed without regard to—

(i) the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die; and

(ii) any Saturday and Sunday, not excluded under clause (i), when either House of Congress is not in session.

(3) PROCEDURES FOR CONSIDERING PROCEDURAL DISAPPROVAL RESOLUTIONS.—

(A) PROCEDURAL DISAPPROVAL RESOLUTIONS.—Procedural disapproval resolutions—

(i) in the House of Representatives—

(I) shall be introduced by the chairman or ranking minority member of the Committee on Ways and Means or the chairman or ranking minority member of the Committee on Rules;

(II) shall be jointly referred to the Committee on Ways and Means and the Committee on Rules; and

(III) may not be amended by either Committee; and

(ii) in the Senate shall be original resolutions of the Committee on Finance.

(B) FLOOR CONSIDERATION.—The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to procedural disapproval resolutions.

(C) COMMITTEE ACTION REQUIRED.—

(i) HOUSE OF REPRESENTATIVES.—It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules.

(ii) SENATE.—It is not in order for the Senate to consider any procedural disapproval resolution not reported by the Committee on Finance.

(c) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsection (b) of this section and section ___03(c) are enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such are deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. ___06. TREATMENT OF CERTAIN TRADE AGREEMENTS.

(a) IN GENERAL.—Notwithstanding section ___03(a)(6)(B) and section ___03(b)(2), the provisions of section ___04(a) shall not apply with respect to agreements that result from—

(1) negotiations under the auspices of the World Trade Organization regarding trade in information technology products;

(2) negotiations or work programs initiated pursuant to a Uruguay Round Agreement, as defined in section 2 of the Uruguay Round Agreements Act; or

(3) negotiations with Chile,

that were commenced before the date of enactment of this Act, and the applicability of trade agreement approval procedures with respect to such agreements shall be determined without regard to the requirements of section ___04(a).

(b) PROCEDURAL DISAPPROVAL RESOLUTION NOT IN ORDER.—A procedural disapproval resolution under section ___05(b) shall not be in order with respect to an agreement described in subsection (a) of this section based on a failure or refusal to comply with section ___04(a).

SEC. ___07. CONFORMING AMENDMENTS.

(a) IN GENERAL.—Title I of the Trade Act of 1974 (19 U.S.C. 2111 et seq.) is amended as follows:

(1) IMPLEMENTING BILL.—

(A) Section 151(b)(1) (19 U.S.C. 2191(b)(1)) is amended—

(i) by striking ''section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988, or section 282 of the Uruguay Round Agreements Act'' and inserting ''section 282 of the Uruguay Round Agreements Act, or section ___05(a)(1) of the Reciprocal Trade Agreements Act of 1999''; and

(ii) by adding after subparagraph (C) the following flush sentence:

''For purposes of applying this paragraph to implementing bills submitted with respect to trade agreements entered into under section ___03(b) of the Reciprocal Trade Agreements Act of 1999, subparagraphs (A), (B), and (C) of section ___03(b)(3) of such Act shall be substituted for subparagraphs (A), (B), and (C) of this paragraph.''.

(B) Section 151(c)(1) (19 U.S.C. 2191(c)(1)) is amended by striking ''or section 282 of the Uruguay Round Agreements Act'' and inserting '', section 282 of the Uruguay Round Agreements Act, or section ___05(a)(1) of the Reciprocal Trade Agreements Act of 1999''.

(2) ADVICE FROM INTERNATIONAL TRADE COMMISSION.—Section 131 (19 U.S.C. 2151) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''section 123 of this Act or section 1102 (a) or (c) of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 123 of this Act or section ___03 (a) or (b) of the Reciprocal Trade Agreements Act of 1999,''; and

(ii) in paragraph (2), by striking ''section 1102 (b) or (c) of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section ___03(b) of the Reciprocal Trade Agreements Act of 1999'';

(B) in subsection (b), by striking ''section 1102(a)(3)(A)'' and inserting ''section ___03(a)(3)(A) of the Reciprocal Trade Agreements Act of 1999'' before the end period; and

(C) in subsection (c), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section ___03 of the Reciprocal Trade Agreements Act of 1999,''.

(3) HEARINGS AND ADVICE.—Sections 132, 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and 2154(a)) are each amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' each place it appears and inserting ''section ___03 of the Reciprocal Trade Agreements Act of 1999,''.

(4) PREREQUISITES FOR OFFERS.—Section 134(b) (19 U.S.C. 2154(b)) is amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section ___03 of the Reciprocal Trade Agreements Act of 1999''.

(5) ADVICE FROM PRIVATE AND PUBLIC SECTORS.—Section 135 (19 U.S.C. 2155) is amended—

(A) in subsection (a)(1)(A), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section ___03 of the Reciprocal Trade Agreements Act of 1999'';

(B) in subsection (e)(1)—

(i) by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' each place it appears and inserting ''section ___03 of the Reciprocal Trade Agreements Act of 1999''; and

(ii) by striking ''section 1103(a)(1)(A) of such Act of 1988'' and inserting ''section ___05(a)(1)(A) of the Reciprocal Trade Agreements Act of 1999''; and

(C) in subsection (e)(2), by striking ''the applicable overall and principal negotiating objectives set forth in section 1101 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''the purposes, policies, and objectives set forth in section ___02 (a) and (b) of the Reciprocal Trade Agreements Act of 1999''.

(6) TRANSMISSION OF AGREEMENTS TO CONGRESS.—Section 162(a) (19 U.S.C. 2212(a)) is amended by striking ''or under section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''or under section ___03 of the Reciprocal Trade Agreements Act of 1999''.

(b) APPLICATION OF CERTAIN PROVISIONS.—For purposes of applying sections 125, 126, and 127 of the Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—

(1) any trade agreement entered into under section ___03 shall be treated as an agreement entered into under section 101 or 102, as appropriate, of the Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

(2) any proclamation or Executive order issued pursuant to a trade agreement entered into under section ___03 shall be treated as a proclamation or Executive order issued pursuant to a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. ___08. DEFINITIONS.

In this title:

(1) DISTORTION.—The term ''distortion'' includes, but is not limited to, a subsidy.

(2) TRADE.—The term ''trade'' includes, but is not limited to—

(A) trade in both goods and services; and

(B) foreign investment by United States persons, especially if such investment has implications for trade in goods and services.

(3) URUGUAY ROUND AGREEMENTS.— The term ''Uruguay Round Agreements'' has the meaning given such term in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7).

(4) WORLD TRADE ORGANIZATION.—The term ''World Trade Organization'' means the organization established pursuant to the WTO Agreement.

(5) WTO AGREEMENT.—The term ''WTO Agreement'' means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

(6) WTO AND WTO MEMBER.—The terms ''WTO'' and ''WTO member'' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

DEWINE AMENDMENT NO. 2397

(Ordered to lie on the table.)

Mr. DEWINE submitted an amendment intended to be proposed by him to amendment No. 2325 proposed by Mr. ROTH to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new title:

TITLE ___—DUMPING AND SUBSIDY OFFSET

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Continued Dumping and Subsidy Offset Act of 1999''.

SEC. ___02. FINDINGS OF CONGRESS.

Congress makes the following findings:

(1) Consistent with the rights of the United States under the World Trade Organization, injurious dumping is to be condemned and actionable subsidies which cause injury to domestic industries must be effectively neutralized.

(2) United States unfair trade laws have as their purpose the restoration of conditions of fair trade so that jobs and investment that should be in the United States are not lost through the false market signals.

(3) The continued dumping or subsidization of imported products after the issuance of

antidumping orders or findings or countervailing duty orders can frustrate the remedial purpose of the laws by preventing market prices from returning to fair levels.

(4) Where dumping or subsidization continues, domestic producers will be reluctant to reinvest or rehire and may be unable to maintain pension and health care benefits that conditions of fair trade would permit. Similarly, small businesses and American farmers and ranchers may be unable to pay down accumulated debt, to obtain working capital, or to otherwise remain viable.

(5) United States trade laws should be strengthened to see that the remedial purpose of those laws is achieved.

SEC. ___03. AMENDMENTS TO THE TARIFF ACT OF 1930.

(a) IN GENERAL.—Title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) is amended by inserting after section 753 following new section:

"SEC. 754. CONTINUED DUMPING AND SUBSIDY OFFSET.

''(a) IN GENERAL.—Duties assessed pursuant to a countervailing duty order, an antidumping duty order, or a finding under the Antidumping Act of 1921 shall be distributed on an annual basis under this section to the affected domestic producers for qualifying expenditures. Such distribution shall be known as the 'continued dumping and subsidy offset'.

''(b) DEFINITIONS.—As used in this section:

''(1) AFFECTED DOMESTIC PRODUCER.—The term 'affected domestic producer' means any manufacturer, producer, farmer, rancher, or worker representative (including associations of such persons) that—

''(A) was a petitioner or interested party in support of the petition with respect to which an antidumping duty order, a finding under the Antidumping Act of 1921, or a countervailing duty order has been entered, and

''(B) remains in operation.

Companies, businesses, or persons that have ceased the production of the product covered by the order or finding or who have been acquired by a company or business that is related to a company that opposed the investigation shall not be an affected domestic producer.

''(2) COMMISSIONER.—The term 'Commissioner' means the Commissioner of Customs.

''(3) COMMISSION.—The term 'Commission' means the United States International Trade Commission.

''(4) QUALIFYING EXPENDITURE.—The term 'qualifying expenditure' means an expenditure incurred after the issuance of the antidumping duty finding or order or countervailing duty order in any of the following categories:

''(A) Plant.

''(B) Equipment.

''(C) Research and development.

''(D) Personnel training.

''(E) Acquisition of technology.

''(F) Health care benefits to employees paid for by the employer.

''(G) Pension benefits to employees paid for by the employer.

''(H) Environmental equipment, training, or technology.

''(I) Acquisition of raw materials and other inputs.

''(J) Borrowed working capital or other funds needed to maintain production.

''(5) RELATED TO.—A company, business, or person shall be considered to be 'related to' another company, business, or person if—

''(A) the company, business, or person directly or indirectly controls or is controlled by the other company, business, or person,

''(B) a third party directly or indirectly controls both companies, businesses, or persons,

''(C) both companies, businesses, or persons directly or indirectly control a third party and there is reason to believe that the relationship causes the first company, business, or persons to act differently than a nonrelated party.

For purposes of this paragraph, a party shall be considered to directly or indirectly control another party if the party is legally or operationally in a position to exercise restraint or direction over the other party.

''(c) DISTRIBUTION PROCEDURES.—The Commissioner shall prescribe procedures for distribution of the continued dumping or subsidies offset required by this section. Such distribution shall be made not later than 60 days after the first day of a fiscal year from duties assessed during the preceding fiscal year.

''(d) PARTIES ELIGIBLE FOR DISTRIBUTION OF ANTIDUMPING AND COUNTERVAILING DUTIES ASSESSED.—

''(1) LIST OF AFFECTED DOMESTIC PRODUCERS.—The Commission shall forward to the Commissioner within 60 days after the effective date of this section in the case of orders or findings in effect on such effective date, or in any other case, within 60 days after the date an antidumping or countervailing duty order or finding is issued, a list of petitioners and persons with respect to each order and finding and a list of persons that indicate support of the petition by letter or through questionnaire response. In those cases in which a determination of injury was not required or the Commission's records do not permit an identification of those in support of a petition, the Commission shall consult with the administering authority to determine the identity of the petitioner and those domestic parties who have entered appearances during administrative reviews conducted by the administering authority under section 751.

''(2) PUBLICATION OF LIST; CERTIFICATION.—The Commissioner shall publish in the Federal Register at least 30 days before the distribution of a continued dumping and subsidy offset, a notice of intention to distribute the offset and the list of affected domestic producers potentially eligible for the distribution based on the list obtained from the Commission under paragraph (1). The Commissioner shall request a certification from each potentially eligible affected domestic producer—

''(A) that the producer desires to receive a distribution;

''(B) that the producer is eligible to receive the distribution as an affected domestic producer; and

''(C) the qualifying expenditures incurred by the producer since the issuance of the order or finding for which distribution under this section has not previously been made.

''(3) DISTRIBUTION OF FUNDS.—The Commissioner shall distribute all funds (including all interest earned on the funds) from assessed duties received in the preceding fiscal year to affected domestic producers based on the certifications described in paragraph (2). The distributions shall be made on a pro rata basis based on new and remaining qualifying expenditures.

''(e) SPECIAL ACCOUNTS.—

''(1) ESTABLISHMENTS.—Within 14 days after the effective date of this section, with respect to antidumping duty orders and findings and countervailing duty orders in effect on the effective date of this section, and within 14 days after the date an antidumping duty order or finding or countervailing duty order issued after the effective date takes effect, the Commissioner shall establish in the Treasury of the United States a special account with respect to each such order or finding.

''(2) DEPOSITS INTO ACCOUNTS.—The Commissioner shall deposit into the special accounts, all antidumping or countervailing duties (including interest earned on such duties) that are assessed after the effective date of this section under the antidumping order or finding or the countervailing duty order with respect to which the account was established.

''(3) TIME AND MANNER OF DISTRIBUTIONS.—Consistent with the requirements of subsections (c) and (d), the Commissioner shall by regulation prescribe the time and manner in which distribution of the funds in a special account shall made.

''(4) TERMINATION.—A special account shall terminate after—

''(a) the order or finding with respect to which the account was established has terminated;

''(B) all entries relating to the order or finding are liquidated and duties assessed collected;

''(C) the Commissioner has provided notice and a final opportunity to obtain distribution pursuant to subsection (c); and

''(D) 90 days has elapsed from the date of the notice described in subparagraph (C).

Amounts not claimed within 90 days of the date of the notice described in subparagraph (C), shall be deposited into the general fund of the Treasury.''.

(b) CONFORMING AMENDMENT.—The table of contents for title VII of the Tariff Act of 1930 is amended by inserting the following new item after the item relating to section 753:

''Sec. 754. Continued dumping and subsidy offset.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to all antidumping and countervailing duty assessments made on or after October 1, 1996.

DEWINE (AND OTHERS) AMENDMENT NO. 2398

(Ordered to lie on the table.)

Mr. DEWINE (for himself, Mr. INOUYE, Mr. LOTT, Mr. CONRAD, Mr. CRAIG, Mr. MCCONNELL, Mr. DURBIN, Mr. BURNS, Mr. DORGAN, Mr. ABRAHAM, Mr. MACK, Mrs. HUTCHISON, Mr. VOINOVICH, Mr. ALLARD, and Mr. ASHCROFT) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new section:

SEC. ___. REVISION OF RETALIATION LIST OR OTHER REMEDIAL ACTION.

Section 306(b)(2) of the Trade Act of 1974 (19 U.S.C. 2416(b)(2)) is amended—

(1) by striking ''If the'' and inserting the following:

''(A) FAILURE TO IMPLEMENT RECOMMENDATION.—If the''; and

(2) by adding at the end the following:

''(B) REVISION OF RETALIATION LIST AND ACTION.—

''(i) IN GENERAL.—Except as provided in clause (ii), in the event that the United States initiates a retaliation list or takes any other action described in section 301(c)(1) (A) or (B) against the goods of a foreign country or countries because of the failure of such country or countries to implement the recommendation made pursuant to a dispute settlement proceeding under the World Trade Organization, the Trade Representative shall periodically revise the list or action to affect other goods of the country or countries that have failed to implement the recommendation.

''(ii) EXCEPTION.—The Trade Representative is not required to revise the retaliation list or the action described in clause (i) with respect to a country, if—

''(I) the Trade Representative determines that implementation of a recommendation made pursuant to a dispute settlement proceeding described in clause (i) by the country is imminent; or

''(II) the Trade Representative together with the petitioner involved in the initial investigation under this chapter (or if no petition was filed, the affected United States industry) agree that it is unnecessary to revise the retaliation list.

''(C) SCHEDULE FOR REVISING LIST OR ACTION.—The Trade Representative shall, 120 days after the date the retaliation list or other section 301(a) action is first taken, and every 180 days thereafter, review the list or action taken and revise, in whole or in part, the list or action to affect other goods of the subject country or countries.

''(D) STANDARDS FOR REVISING LIST OR ACTION.—In revising any list or action against a country or countries under this subsection, the Trade Representative shall act in a manner that is most likely to result in the country or countries implementing the recommendations adopted in the dispute settlement proceeding or in achieving a mutually satisfactory solution to the issue that gave rise to the dispute settlement proceeding. The Trade Representative shall consult with the petitioner, if any, involved in the initial investigation under this chapter.

''(E) RETALIATION LIST.—The term 'retaliation list' means the list of products of a foreign country or countries that have failed to comply with the report of the panel or Appellate Body of the WTO and with respect to which the Trade Representative is imposing duties above the level that would otherwise be imposed under the Harmonized Tariff Schedule of the United States.''.

NICKLES AMENDMENT NO. 2399

(Ordered to lie on the table.)

Mr. NICKLES submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. ___. WAIVER OF DENIAL OF FOREIGN TAX CREDIT.

(a) IN GENERAL.—Section 901(j) of the Internal Revenue Code of 1986 (relating to denial of foreign tax credit, etc., with respect to certain foreign countries) is amended by adding at the end the following new paragraph:

''(5) WAIVER OF DENIAL.—

''(A) IN GENERAL.—Paragraph (1) shall not apply with respect to taxes paid or accrued to a country if the President—

''(i) determines that a waiver of the application of such paragraph is in the national interest of the United States, and

''(ii) reports such waiver under subparagraph (B).

''(B) REPORT.—Not less than 30 days before the date on which a waiver is granted under this paragraph, the President shall report to Congress—

''(i) the intention to grant such waiver, and

''(ii) the reason for the determination under subparagraph (A)(i).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply on or after February 1, 2001.

WELLSTONE AMENDMENT NO. 2400

(Ordered to lie on the table.)

Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the end insert the following:

DIVISION 2—AGRIBUSINESS MERGER MORATORIUM AND ANTITRUST REVIEW ACT OF 1999

SEC. ___1. SHORT TITLE.

This division may be cited as the ''Agribusiness Merger Moratorium and Antitrust Review Act of 1999''.

SEC. ___2. FINDINGS.

Congress finds the following:

(1) Concentration in the agricultural economy including mergers, acquisitions, and other combinations and alliances among suppliers, producers, packers, other food processors, and distributors has been accelerating at a rapid pace in the 1990's.

(2) The trend toward greater concentration in agriculture has important and far-reaching implications not only for family-based farmers, but also for the food we eat, the communities we live in, and the integrity of the natural environment upon which we all depend.

(3) In the past decade and a half, the top 4 largest pork packers have seized control of some 57 percent of the market, up from 36 percent. Over the same period, the top 4 beef packers have expanded their market share from 32 percent to 80 percent, the top 4 flour millers have increased their market share from 40 percent to 62 percent, and the market share of the top 4 soybean crushers has jumped from 54 percent to 80 percent.

(4) Today the top 4 sheep, poultry, wet corn, and dry corn processors now control 73 percent, 55 percent, 74 percent, and 57 percent of the market, respectively.

(5) A handful of firms dominate the processing of every major commodity. Many of them are vertically integrated, which means that they control successive stages of the food chain, from inputs to production to distribution.

(6) Growing concentration of the agricultural sector has restricted choices for farmers trying to sell their products. As the bargaining power of agribusiness firms over farmers increases, agricultural commodity markets are becoming stacked against the farmer.

(7) The farmer's share of every retail dollar has plummeted from around 50 percent in 1952, to less than 25 percent today, while the profit share for farm input, marketing, and processing companies has risen.

(8) While agribusiness conglomerates are posting record earnings, farmers are facing desperate times. The commodity price index is the lowest since 1987. Hog prices are at their lowest since 1972. Cotton and soybean prices are the lowest they have been since the early 1970's.

(9) The benefits of low commodity prices are not being passed on to American consumers. The gap between what shoppers pay for food and what farmers are paid is growing wider. From 1984 to 1998, prices paid to farmers fell 36 percent, while consumer food prices actually increased by 3 percent.

(10) Concentration, low prices, anticompetitive practices, and other manipulations and abuses of the agricultural economy are driving family-based farmers out of business. Farmers are going bankrupt or giving up, and few are taking their places; more farm families are having to rely on other jobs to stay afloat; and the number of farmers leaving the land will continue to increase unless and until these trends are reversed.

(11) The decline of family-based agriculture undermines the economies of rural communities across America; it has pushed Main Street businesses, from equipment suppliers to insurance sales people, out of business or to the brink of insolvency.

(12) Increased concentration in the agribusiness sector has a harmful effect on the environment; corporate hog farming, for example, threatens the integrity of local water supplies and creates noxious odors in neighboring communities. Concentration also can increase the risks to food safety and limit the biodiversity of plants and animals.

(13) The decline of family-based farming poses a direct threat to American families and family values, by subjecting farm families to turmoil and stress.

(14) The decline of family-based farming causes the demise of rural communities, as stores lose customers, churches lose congregations, schools and clinics become under-used, career opportunities for young people dry up, and local inequalities of wealth and income grow wider.

(15) These developments are not the result of inevitable market forces. They are the consequence of policies made in Washington, including farm, antitrust, and trade policies.

(16) To restore competition in the agricultural economy, and to increase the bargaining power and enhance economic prospects for family-based farmers, the trend toward concentration must be reversed.

SEC. ___3. DEFINITIONS.

In this division:

(1) AGRICULTURAL INPUT SUPPLIER.—The term ''agricultural input supplier'' means any person (excluding agricultural cooperatives) engaged in the business of selling, in interstate or foreign commerce, any product to be used as an input (including seed, germ plasm, hormones, antibiotics, fertilizer, and chemicals, but excluding farm machinery) for the production of any agricultural commodity, except that no person shall be considered an agricultural input supplier if sales of such products are for a value less than $10,000,000 per year.

(2) BROKER.—The term ''broker'' means any person (excluding agricultural cooperatives) engaged in the business of negotiating sales and purchases of any agricultural commodity in interstate or foreign commerce for or on behalf of the vendor or the purchaser, except that no person shall be considered a broker if the only sales of such commodities are for a value less than $10,000,000 per year.

(3) COMMISSION MERCHANT.—The term ''commission merchant'' means any person (excluding agricultural cooperatives) engaged in the business of receiving in interstate or foreign commerce any agricultural commodity for sale, on commission, or for or on behalf of another, except that no person shall be considered a commission merchant if the only sales of such commodities are for a value less than $10,000,000 per year.

(4) DEALER.—The term ''dealer'' means any person (excluding agricultural cooperatives) engaged in the business of buying, selling, or marketing agricultural commodities in interstate or foreign commerce, except that—

(A) no person shall be considered a dealer with respect to sales or marketing of any agricultural commodity of that person's own raising; and

(B) no person shall be considered a dealer if the only sales of such commodities are for a value less than $10,000,000 per year.

(5) PROCESSOR.—The term ''processor'' means any person (excluding agricultural cooperatives) engaged in the business of handling, preparing, or manufacturing (including slaughtering) of an agricultural commodity, or the products of such agricultural commodity, for sale or marketing for human consumption, except that no person shall be considered a processor if the only sales of such products are for a value less than $10,000,000 per year.

TITLE I—MORATORIUM ON LARGE AGRIBUSINESS MERGERS

SEC. 101. MORATORIUM ON LARGE AGRIBUSINESS MERGERS.

(a) IN GENERAL.—

(1) MORATORIUM.—Until the date referred to in paragraph (2) and except as provided in subsection (b)—

(A) no dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $100,000,000 shall merge or acquire, directly or indirectly, any voting securities or assets of any other dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $10,000,000; and

(B) no dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $10,000,000 shall merge or acquire, directly or indirectly, any voting securities or assets of any other dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $100,000,000 if the acquiring person would hold—

(i) 15 percent or more of the voting securities or assets of the acquired person; or

(ii) an aggregate total amount of the voting securities and assets of the acquired person in excess of $15,000,000.

(2) DATE.—The date referred to in this paragraph is the earlier of—

(A) the effective date of comprehensive legislation—

(i) addressing the problem of market concentration in the agricultural sector; and

(ii) containing a section stating that the legislation is comprehensive legislation as provided in section 101 of the Agribusiness Merger Moratorium and Antitrust Review Act of 1999; or

(B) the date that is 18 months after the date of enactment of this division.

(3) EXEMPTIONS.—The following classes of transactions are exempt from the requirements of this section—

(1) acquisitions of goods or realty transferred in the ordinary course of business;

(2) acquisitions of bonds, mortgages, deeds of trust, or other obligations which are not voting securities;

(3) acquisitions of voting securities of an issuer at least 50 per centum of the voting securities of which are owned by the acquiring person prior to such acquisition;

(4) transfers to or from a Federal agency or a State or political subdivision thereof; and

(5) acquisitions of voting securities, if, as a result of such acquisition, the voting securities acquired do not increase, directly or indirectly, the acquiring person's per centum share of outstanding voting securities of the issuer.

(b) WAIVER AUTHORITY.—The Attorney General shall have authority to waive the moratorium imposed by subsection (a) only under extraordinary circumstances, such as insolvency or similar financial distress of 1 of the affected parties.

TITLE II—AGRICULTURE CONCENTRATION AND MARKET POWER REVIEW COMMISSION

SEC. 201. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the Agriculture Concentration and Market Power Review Commission (hereafter in this title referred to as the ''Commission'').

(b) PURPOSES.—The purpose of the Commission is to—

(1) study the nature and consequences of concentration in America's agricultural economy; and

(2) make recommendations on how to change underlying antitrust laws and other Federal laws and regulations to keep a fair and competitive agriculture marketplace for family farmers, other small and medium sized agriculture producers, generally, and the communities of which they are a part.

(c) MEMBERSHIP OF COMMISSION.—

(1) COMPOSITION.—The Commission shall be composed of 12 members as follows:

(A) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the President pro tempore of the Senate upon the recommendation of the Majority Leader of the Senate, after consultation with the Chairman of the Committee on Agriculture, Nutrition, and Forestry.

(B) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the President pro tempore of the Senate upon the recommendation of the Minority Leader of the Senate, after consultation with the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry.

(C) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the Speaker of the House of Representatives, after consultation with the Chairman of the Committee on Agriculture.

(D) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the Minority Leader of the House of Representatives, after consultation with the ranking minority member of the Committee on Agriculture.

(2) QUALIFICATIONS OF MEMBERS.—

(A) APPOINTMENTS.—Persons who are appointed under paragraph (1) shall be persons who—

(i) have experience in farming or ranching, expertise in agricultural economics and antitrust, or have other pertinent qualifications or experience relating to agriculture and agriculture industries; and

(ii) are not officers or employees of the United States.

(B) OTHER CONSIDERATION.—In appointing Commission members, every effort shall be made to ensure that the members—

(i) are representative of a broad cross sector of agriculture and antitrust perspectives within the United States; and

(ii) provide fresh insights to analyzing the causes and impacts of concentration in agriculture industries and sectors.

(d) PERIOD OF APPOINTMENT; VACANCIES.—

(1) IN GENERAL.—Members shall be appointed not later than 60 days after the date of enactment of this division and the appointment shall be for the life of the Commission.

(2) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

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

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

(g) CHAIRPERSON AND VICE CHAIRPERSON.—The members of the Commission shall elect a chairperson and vice chairperson from among the members of the Commission.

(h) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(i) VOTING.—Each member of the Commission shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Commission.

SEC. 202. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall be responsible for examining the nature, the causes, and consequences concentration in America's agricultural economy in the broadest possible terms.

(b) ISSUES TO BE ADDRESSED.—The study shall include an examination of the following matters:

(1) The nature and extent of concentration in the agricultural sector, including food production, transportation, processing, distribution and marketing, and farm inputs such as machinery, fertilizer, and seeds.

(2) Current trends in concentration of the agricultural sector and what this sector is likely to look like in the near and longer term future.

(3) The effect of this concentration on farmer income.

(4) The impacts of this concentration upon rural communities, rural economic development, and the natural environment.

(5) The impacts of this concentration upon food shoppers, including the reasons that Depression-level farm prices have not resulted in corresponding drops in supermarket prices.

(6) The productivity of family-based farm units, compared with corporate based agriculture, and whether farming is approaching a scale that is larger than necessary from the standpoint of productivity.

(7) The effect of current laws and administrative practices in supporting and encouraging this concentration.

(8) Whether the existing antitrust laws provide adequate safeguards against, and remedies for, the impacts of concentration upon family-based agriculture, the communities they comprise, and the food shoppers of this Nation.

(9) Accurate and reliable data on the national and international markets shares of multinational agribusinesses, and the portion of their sales attributable to exports.

(10) Barriers that inhibit entry of new competitors into markets for the processing of agricultural commodities, such as the meat packing industry.

(11) The extent to which developments, such as formula pricing, marketing agreements, and forward contracting tend to give processors, agribusinesses, and other buyers of agricultural commodities additional market power over producers and suppliers in local markets.

(12) Such related matters as the Commission determines to be important.

SEC. 203. FINAL REPORT.

(a) IN GENERAL.—Not later than 12 months after the date of the initial meeting of the Commission, the Commission shall submit to the President and Congress a final report which contains—

(1) the findings and conclusions of the Commission described in section 202; and

(2) recommendations for addressing the problems identified as part of the Commission's analysis.

(b) SEPARATE VIEWS.—Any member of the Commission may submit additional findings and recommendations as part of the final report.

SEC. 204. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission may find advisable to fulfill the requirements of this title. The Commission shall hold at least 1 or more hearings in Washington, D.C., and 4 in different agriculture regions of the United States.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this title. Upon request of the Chairperson of the Commission, the head of such department or

agency shall furnish such information to the Commission.

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

SEC. 205. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission.

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

(c) STAFF.—

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

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

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

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

SEC. 206. SUPPORT SERVICES.

The Administrator of the General Services Administration shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

SEC. 207. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $2,000,000 to the Commission as required by this title to carry out the provisions of this title.

ASHCROFT (AND OTHERS) AMENDMENT NO. 2401

(Ordered to lie on the table.)

Mr. ASHCROFT (for himself Mr. HAGEL, Mr. BAUCUS, Mr. DODD, Mr. DORGAN, Mr. BROWNBACK, Mr. KERREY, Mr. ROBERTS, Mr. ABRAHAM, Mr. ALLARD, Mr. BENNETT, Mr. BINGAMAN, Mr. BOND, Mr. BURNS, Mr. CONRAD, Mr. CRAIG, Mr. CRAPO, Mr. DASCHLE, Mr. DURBIN, Mrs. FEINSTEIN, Mr. FITZGERALD, Mr. GORTON, Mr. GRAMS, Mr. HARKIN, Mr. HUTCHINSON, Mr. INHOFE, Mr. JEFFORDS, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Mrs. LINCOLN, Mr. THOMAS, Mr. WARNER, Mr. SESSIONS, and Ms. LANDRIEU) submitted an amendment intended to be proposed by them to the bill, H.R. 434, supra: as follows:

At the appropriate place, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Food and Medicine for the World Act''.

SEC. 2. REQUIREMENT OF CONGRESSIONAL APPROVAL OF ANY UNILATERAL AGRICULTURAL OR MEDICAL SANCTION.

(a) DEFINITIONS.—In this section:

(1) AGRICULTURAL COMMODITY.—The term ''agricultural commodity'' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(2) AGRICULTURAL PROGRAM.—The term ''agricultural program'' means—

(A) any program administered under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et. seq.);

(B) any program administered under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(C) any program administered under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et. seq.);

(D) the dairy export incentive program administered under section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14);

(E) any commercial export sale of agricultural commodities; or

(F) any export financing (including credits or credit guarantees) provided by the United States Government for agricultural commodities.

(3) JOINT RESOLUTION.—The term ''joint resolution'' means—

(A) in the case of subsection (b)(1)(B), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under subsection (b)(1)(A) is received by Congress, the matter after the resolving clause of which is as follows: ''That Congress approves the report of the President pursuant to section 2(b)(1)(A) of the Food and Medicine for the World Act, transmitted on _____.'', with the blank completed with the appropriate date; and

(B) in the case of subsection (e)(2), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under subsection (e)(1) is received by Congress, the matter after the resolving clause of which is as follows: ''That Congress approves the report of the President pursuant to section 2(e)(1) of the Food and Medicine for the World Act, transmitted on _____.'', with the blank completed with the appropriate date.

(4) MEDICAL DEVICE.—The term ''medical device'' has the meaning given the term ''device'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(5) MEDICINE.—The term ''medicine'' has the meaning given the term ''drug'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(6) UNILATERAL AGRICULTURAL SANCTION.—The term ''unilateral agricultural sanction'' means any prohibition, restriction, or condition on carrying out an agricultural program with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(7) UNILATERAL MEDICAL SANCTION.—The term ''unilateral medical sanction'' means any prohibition, restriction, or condition on exports of, or the provision of assistance consisting of, medicine or a medical device with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(b) RESTRICTION.—

(1) NEW SANCTIONS.—Except as provided in subsections (c) and (d) and notwithstanding any other provision of law, the President may not impose a unilateral agricultural sanction or unilateral medical sanction against a foreign country or foreign entity, unless—

(A) not later than 60 days before the sanction is proposed to be imposed, the President submits a report to Congress that—

(i) describes the activity proposed to be prohibited, restricted, or conditioned; and

(ii) describes the actions by the foreign country or foreign entity that justify the sanction; and

(B) Congress enacts a joint resolution stating the approval of Congress for the report submitted under subparagraph (A).

(2) EXISTING SANCTIONS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), with respect to any unilateral agricultural sanction or unilateral medical sanction that is in effect as of the date of enactment of this Act, the President shall terminate the sanction.

(B) EXEMPTIONS.—Subparagraph (A) shall not apply to a unilateral agricultural sanction or unilateral medical sanction imposed with respect to—

(i) any program administered under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(ii) the Export Credit Guarantee Program (GSM-102) or the Intermediate Export Credit Guarantee Program (GSM-103) established under section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622); or

(iii) the dairy export incentive program administered under section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14).

(c) EXCEPTIONS.—Subsection (b) shall not affect any authority or requirement to impose (or continue to impose) a sanction referred to in subsection (b)—

(1) against a foreign country or foreign entity with respect to which Congress has enacted a declaration of war that is in effect on or after the date of enactment of this Act; or

(2) to the extent that the sanction would prohibit, restrict, or condition the provision or use of any agricultural commodity, medicine, or medical device that is—

(A) controlled on the United States Munitions List established under section 38 of the Arms Export Control Act (22 U.S.C. 2778);

(B) controlled on any control list established under the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.); or

(C) used to facilitate the development or production of a chemical or biological weapon or weapon of mass destruction.

(d) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—Subsection (b) shall not affect the prohibitions in effect on or after the date of enactment of this Act under section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371) on providing, to the government of any country supporting international terrorism, United States government assistance, including United States foreign assistance, United States export assistance, or any United States credits or credit guarantees.

(e) TERMINATION OF SANCTIONS.—Any unilateral agricultural sanction or unilateral medical sanction that is imposed pursuant to the procedures described in subsection (b)(1) shall terminate not later than 2 years after the date on which the sanction became effective unless—

(1) not later than 60 days before the date of termination of the sanction, the President submits to Congress a report containing the recommendation of the President for the continuation of the sanction for an additional period of not to exceed 2 years and the request of the President for approval by Congress of the recommendation; and

(2) Congress enacts a joint resolution stating the approval of Congress for the report submitted under paragraph (1).

(f) CONGRESSIONAL PRIORITY PROCEDURES.—

(1) REFERRAL OF REPORT.—A report described in subsection (b)(1)(A) or (e)(1) shall be referred to the appropriate committee or committees of the House of Representatives and to the appropriate committee or committees of the Senate.

(2) REFERRAL OF JOINT RESOLUTION.—

(A) IN GENERAL.—A joint resolution shall be referred to the committees in each House of Congress with jurisdiction.

(B) REPORTING DATE.—A joint resolution referred to in subparagraph (A) may not be reported before the eighth session day of Congress after the introduction of the joint resolution.

(3) DISCHARGE OF COMMITTEE.—If the committee to which is referred a joint resolution has not reported the joint resolution (or an identical joint resolution) at the end of 30 session days of Congress after the date of introduction of the joint resolution—

(A) the committee shall be discharged from further consideration of the joint resolution; and

(B) the joint resolution shall be placed on the appropriate calendar of the House concerned.

(4) FLOOR CONSIDERATION.—

(A) MOTION TO PROCEED.—

(i) IN GENERAL.—When the committee to which a joint resolution is referred has reported, or when a committee is discharged under paragraph (3) from further consideration of, a joint resolution—

(I) it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any member of the House concerned to move to proceed to the consideration of the joint resolution; and

(II) all points of order against the joint resolution (and against consideration of the joint resolution) are waived.

(ii) PRIVILEGE.—The motion to proceed to the consideration of the joint resolution—

(I) shall be highly privileged in the House of Representatives and privileged in the Senate; and

(II) not debatable.

(iii) AMENDMENTS AND MOTIONS NOT IN ORDER.—The motion to proceed to the consideration of the joint resolution shall not be subject to—

(I) amendment;

(II) a motion to postpone; or

(III) a motion to proceed to the consideration of other business.

(iv) MOTION TO RECONSIDER NOT IN ORDER.—A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(v) BUSINESS UNTIL DISPOSITION.—If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the House concerned until disposed of.

(B) LIMITATIONS ON DEBATE.—

(i) IN GENERAL.—Debate on the joint resolution, and on all debatable motions and appeals in connection with the joint resolution, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution.

(ii) FURTHER DEBATE LIMITATIONS.—A motion to limit debate shall be in order and shall not be debatable.

(iii) AMENDMENTS AND MOTIONS NOT IN ORDER.—An amendment to, a motion to postpone, a motion to proceed to the consideration of other business, a motion to recommit the joint resolution, or a motion to reconsider the vote by which the joint resolution is agreed to or disagreed to shall not be in order.

(C) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the House concerned, the vote on final passage of the joint resolution shall occur.

(D) RULINGS OF THE CHAIR ON PROCEDURE.—An appeal from a decision of the Chair relating to the application of the rules of the Senate or House of Representatives, as the case may be, to the procedure relating to a joint resolution shall be decided without debate.

(5) COORDINATION WITH ACTION BY OTHER HOUSE.—If, before the passage by 1 House of a joint resolution of that House, that House receives from the other House a joint resolution, the following procedures shall apply:

(A) NO COMMITTEE REFERRAL.—The joint resolution of the other House shall not be referred to a committee.

(B) FLOOR PROCEDURE.—With respect to a joint resolution of the House receiving the joint resolution—

(i) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(ii) the vote on final passage shall be on the joint resolution of the other House.

(C) DISPOSITION OF JOINT RESOLUTIONS OF RECEIVING HOUSE.—On disposition of the joint resolution received from the other House, it shall no longer be in order to consider the joint resolution originated in the receiving House.

(6) PROCEDURES AFTER ACTION BY BOTH THE HOUSE AND SENATE.—If a House receives a joint resolution from the other House after the receiving House has disposed of a joint resolution originated in that House, the action of the receiving House with regard to the disposition of the joint resolution originated in that House shall be deemed to be the action of the receiving House with regard to the joint resolution originated in the other House.

(7) RULEMAKING POWER.—This paragraph is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such this paragraph—

(i) is deemed to be a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution; and

(ii) supersedes other rules only to the extent that this paragraph is inconsistent with those rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section takes effect on the date of enactment of this Act.

(2) EXISTING SANCTIONS.—In the case of any unilateral agricultural sanction or unilateral medical sanction that is in effect as of the date of enactment of this Act, this section takes effect 180 days after the date of enactment of this Act.

DORGAN AMENDMENT NO. 2402

(Ordered to lie on the table.)

Mr. DORGAN submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new section:

SEC. ___. UNREASONABLE ACTS, POLICIES, AND PRACTICES.

Section 301(d)(3)(B)(i) of the Trade Act of 1974 (19 U.S.C. 2411(d)(3)(B)(i)) is amended by striking subclause (IV) and inserting the following:

''(IV) market opportunities, including the toleration by a foreign government of systematic anticompetitive activities, which include predatory pricing, discriminatory pricing, or pricing below cost of production by enterprises or among enterprises in the foreign country (including state trading enterprises and state corporations) if the acts, policies, or practices are inconsistent with commercial practices and have the effect of restricting access of United States goods or services to the foreign market or third country markets,''.

HARKIN AMENDMENTS NOS. 2403–2404

(Ordered to lie on the table.)

Mr. HARKIN submitted two amendments intended to be proposed by him to the bill, H.R. 434, supra; as follows:

AMENDMENT NO. 2403

At the appropriate place, insert the following new section:

SEC. ___. LIMITATIONS ON BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, no benefits under this Act shall be granted to any country (or to any designated zone in that country) that does not meet and effectively enforce the standards regarding child labor established by the ILO Convention (No. 182) for the Elimination of the Worst Forms of Child Labor.

(b) REPORT.—Not later than 12 months after the date of enactment of this Act and annually thereafter, the President, after consultation with the Trade Policy Review Committee, shall submit a report to Congress on the enforcement of, and compliance with, the standards described in subsection (a).

AMENDMENT NO. 2404

At the appropriate place, insert the following new section:

SEC. ___. LIMITATIONS ON BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, no benefits under this Act shall be granted to any country (or to any designated zone in that country) that does not meet and effectively enforce the standards regarding child labor established by the ILO Convention (No. 182) for the Elimination of the Worst Forms of Child Labor.

FEINGOLD AMENDMENTS NOS. 2405–2409

(Ordered to lie on the table.)

Mr. FEINGOLD submitted five amendments intended to be proposed by him to the bill, H.R. 434, supra; as follows:

AMENDMENT NO. 2405

Strike secs. 111 and 112, and insert:

SEC. 111. ELIGIBILITY FOR CERTAIN BENEFITS.

(a) IN GENERAL.—Title V of the Trade Act of 1974 is amended by inserting after section 506 the following new section:

''SEC. 506A. DESIGNATION OF SUB-SAHARAN AFRICAN COUNTRIES FOR CERTAIN BENEFITS.

''(a) AUTHORITY TO DESIGNATE.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the President is authorized to designate a country listed in section 4 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b), if the President determines that the country—

''(A) has established, or is making continual progress toward establishing—

''(i) a market-based economy, where private property rights are protected and the principles of an open, rules-based trading system are observed;

''(ii) a democratic society, where the rule of law, political freedom, participatory democracy, and the right to due process and a fair trial are observed;

''(iii) an open trading system through the elimination of barriers to United States trade and investment and the resolution of bilateral trade and investment disputes; and

''(iv) economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, and promote the establishment of private enterprise;

''(B) does not engage in gross violations of internationally recognized human rights or provide support for acts of international terrorism and cooperates in international efforts to eliminate human rights violations and terrorist activities; and

''(C) is taking adequate measures to prevent illegal transshipment of goods that is carried out by rerouting, false declaration concerning country of origin or place of origin, falsification of official documents, evasion of United States rules of origin for textile and apparel goods, or any other means, in accordance with the requirements of subsection (c) of sec 112.

''(D) is taking adequate measures to prevent being used as a transit point for the shipment of goods in violation of the Agreement on Textiles and Clothing or any other applicable textile agreement.

''(E) subject to the authority granted to the President under section 502 (a), (d), and (e), otherwise satisfies the eligibility criteria set forth in section 502.

''(2) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor and review the progress of each country listed in section 4 of the African Growth and Opportunity Act in meeting the requirements described in paragraph (1) in order to determine the current or potential eligibility of each country to be designated as a beneficiary sub-Saharan African country for purposes of subsection (a). The President shall include the reasons for the President's determinations in the annual report required by section 105 of the African Growth and Opportunity Act.

''(3) CONTINUING COMPLIANCE.—If the President determines that a beneficiary sub-Saharan African country is not making continual progress in meeting the requirements described in paragraph (1), the President shall terminate the designation of that country as a beneficiary sub-Saharan African country for purposes of this section, effective on January 1 of the year following the year in which such determination is made.

''(b) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—

''(1) IN GENERAL.—The President may provide duty-free treatment for any article described in section 503(b)(1) (B) through (G) (except for textile luggage) that is the growth, product, or manufacture of a beneficiary sub-Saharan African country described in subsection (a), if, after receiving the advice of the International Trade Commission in accordance with section 503(e), the President determines that such article is not import-sensitive in the context of imports from beneficiary sub-Saharan African countries.

''(2) RULES OF ORIGIN.—The duty-free treatment provided under paragraph (1) shall apply to any article described in that paragraph that meets the requirements of section 503(a)(2), except that—

''(A) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A) of section 503(a)(2); and

''(B) the cost or value of the materials included with respect to that article that are produced in one or more beneficiary sub-Saharan African countries shall be applied in determining such percentage.

''(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 4 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.''.

(b) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

''(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any beneficiary sub-Saharan African country.''.

(c) TERMINATION.—Title V of the Trade Act of 1974 is amended by inserting after section 505 the following new section:

''SEC. 505A. TERMINATION OF BENEFITS FOR SUB-SAHARAN AFRICAN COUNTRIES.

''In the case of a country listed in section 104 of the African Growth and Opportunity Act that is a beneficiary developing country, duty-free treatment provided under this title shall remain in effect through September 30, 2006.''.

(d) CLERICAL AMENDMENTS.—The table of contents for title V of the Trade Act of 1974 is amended—

(1) by inserting after the item relating to section 505 the following new item:

''505A. Termination of benefits for sub-Saharan African countries.'';

and

(2) by inserting after the item relating to section 506 the following new item:

''506A. Designation of sub-Saharan African countries for certain benefits.''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 1999.

SEC. 112. TREATMENT OF CERTAIN TEXTILES AND APPAREL.

(a) PREFERENTIAL TREATMENT.—Notwithstanding any other provision of law, textile and apparel articles described in subsection (b) (including textile luggage) imported from a beneficiary sub-Saharan African country, described in section 506A(c) of the Trade Act of 1974, shall enter the United States free of duty and free of any quantitative limitations, if—

(1) The country is taking adequate measures to prevent illegal transshipment of goods that is carried out by rerouting, false declaration concerning country of origin or place of origin, falsification of official documents, evasion of United States rules of origin for textile and apparel goods, or any other means, in accordance with the requirements of subsection (c).

(2) The country is taking adequate measures to prevent being used as a transit point for the shipment of goods in violation of the Agreement on Textiles and Clothing or any other applicable textile agreement.

(b) PRODUCTS COVERED.—The preferential treatment described in subsection (a) shall apply only to the following textile and apparel products:

(1) APPAREL ARTICLES ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles assembled in one or more beneficiary sub-Saharan African countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States that are—

(A) entered under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States; or

(B) entered under chapter 61 or 62 of the Harmonized Tariff Schedule of the United States, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States but for the fact that the articles were subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, or other similar processes.

(2) APPAREL ARTICLES CUT AND ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles cut in one or more beneficiary sub-Saharan African countries from fabric wholly formed in the United States from yarns wholly formed in the United States, if such articles are assembled in one or more beneficiary sub-Saharan African countries with thread formed in the United States.

(3) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a beneficiary sub-Saharan African country or countries that is certified as such by the competent authority of such beneficiary country or countries. For purposes of this paragraph, the President, after consultation with the beneficiary sub-Saharan African country or countries concerned, shall determine which, if any, particular textile and apparel goods of the country (or countries) shall be treated as being handloomed, handmade, or folklore goods.

(c) CUSTOMS PROCEDURES AND ENFORCEMENT.—

(1) OBLIGATIONS OF IMPORTERS AND PARTIES ON WHOSE BEHALF APPAREL AND TEXTILES ARE IMPORTED.—

(A) IN GENERAL.—Notwithstanding any other provision of law, all imports to the United States of textile and apparel goods pursuant to this Act shall be accompanied by—

(i)(I) the name and address of the manufacturer or producer of the goods, and any other information with respect to the manufacturer or producer that the Customs Service may require; and

(II) if there is more than one manufacturer or producer, or if there is a contractor or subcontractor of the manufacturer or producer with respect to the manufacture or production of the goods, the information required under subclause (I) with respect to each such manufacturer, producer, contractor, or subcontractor, including a description of the process performed by each such entity;

(ii) a certification by the importer of record that the importer has exercised reasonable care to ascertain the true country of origin of the textile and apparel goods and

the accuracy of all other information provided on the documentation accompanying the imported goods, as well as a certification of the specific action taken by the importer to ensure reasonable care for purposes of this paragraph; and

(iii) a certification by the importer that the goods being entered do not violate applicable trademark, copyright, and patent laws.

(B) LIABILITY.—The importer of record and the final retail seller of the merchandise shall be jointly liable for any material false statement, act, or omission made with the intention or effect of—

(i) circumventing any quota that applies to the merchandise; or

(ii) avoiding any duty that would otherwise be applicable to the merchandise.

(2) OBLIGATIONS OF COUNTRIES TO TAKE ACTION AGAINST TRANSSHIPMENT AND CIRCUMVENTION.—The President shall ensure that any country in sub-Saharan Africa that intends to import textile and apparel goods into the United States—

(A) has in place adequate measures to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(B) will cooperate fully with the United States to address and take action necessary to prevent circumvention of any provision of this section or of any agreement regulating trade in apparel and textiles between that country and the United States.

(3) STANDARDS OF PROOF.—

(A) FOR IMPORTERS AND RETAILERS.—

(i) IN GENERAL.—The United States Customs Service (in this Act referred to as the ''Customs Service'') shall seek imposition of a penalty against an importer or retailer for a violation of any provision of this section if the Customs Service determines, after appropriate investigation, that there is a substantial likelihood that the violation occurred.

(ii) USE OF BEST AVAILABLE INFORMATION.—If an importer or retailer fails to cooperate with the Customs Service in an investigation to determine if there has been a violation of any provision of this section, the Customs Service shall base its determination on the best available information.

(B) FOR COUNTRIES.—

(i) IN GENERAL.—The President may determine that a country is not taking adequate measures to prevent illegal transshipment of goods or to prevent being used as a transit point for the shipment of goods in violation of this section if the Customs Service determines, after consultations with the country concerned, that there is a substantial likelihood that a violation of this section occurred.

(ii) USE OF BEST AVAILABLE INFORMATION.—

(I) IN GENERAL.—If a country fails to cooperate with the Customs Service in an investigation to determine if an illegal transshipment has occurred, the Customs Service shall base its determination on the best available information.

(II) EXAMPLES.—Actions indicating failure of a country to cooperate under subclause (I) include—

(aa) denying or unreasonably delaying entry of officials of the Customs Service to investigate violations of, or promote compliance with, this section or any textile agreement;

(bb) providing appropriate United States officials with inaccurate or incomplete information, including information required under the provisions of this section; and

(cc) denying appropriate United States officials access to information or documentation relating to production capacity of, and outward processing done by, manufacturers, producers, contractors, or subcontractors within the country.

(4) PENALTIES.—

(A) FOR IMPORTERS AND RETAILERS.—The penalty for a violation of any provision of this section by an importer or retailer of textile and apparel goods—

(i) for a first offense (except as provided in clause (iii)), shall be a civil penalty in an amount equal to 200 percent of the declared value of the merchandise, plus forfeiture of the merchandise;

(ii) for a second offense (except as provided in clause (iii)), shall be a civil penalty in an amount equal to 400 percent of the declared value of the merchandise, plus forfeiture of the merchandise, and, shall be punishable by a fine of not more than $100,000, imprisonment for not more than 1 year, or both; and

(iii) for a third or subsequent offense, or for a first or second offense if the violation of the provision of this section is committed knowingly and willingly, shall be punishable by a fine of not more than $1,000,000, imprisonment for not more than 5 years, or both, and, in addition, shall result in forfeiture of the merchandise.

(B) FOR COUNTRIES.—If a country fails to undertake the measures or fails to cooperate as required by this section, the President shall impose a quota on textile and apparel goods imported from the country, based on the volume of such goods imported during the first 12 of the preceding 24 months, or shall impose a duty on the apparel or textile goods of the country, at a level designed to secure future cooperation.

(5) APPLICABILITY OF UNITED STATES LAWS AND PROCEDURES.—All provisions of the laws, regulations, and procedures of the United States relating to the denial of entry of articles or penalties against individuals or entities for engaging in illegal transshipment, fraud, or other violations of the customs laws, shall apply to imports of textiles and apparel from sub-Saharan African countries, in addition to the specific provisions of this section.

(6) MONITORING AND REPORTS TO CONGRESS.—Not later than March 31 of each year, the Customs Service shall monitor and the Commissioner of Customs shall submit to Congress a report on the measures taken by each country in sub-Saharan Africa that imports textiles or apparel goods into the United States—

(A) to prevent transshipment; and

(B) to prevent circumvention of this section or of any agreement regulating trade in textiles and apparel between that country and the United States.

(d) ADDITIONAL ENFORCEMENT.—A citizen of the United States shall have a cause of action in the United States district court in the district in which the citizen resides or in any other appropriate district to seek compliance with the standards set forth under subparagraphs (C) and (D) of section 111 and section 112(c), of this Act with respect to any sub-Saharan African country, including a cause of action in an appropriate United States district court for other appropriate equitable relief. In addition to any other relief sought in such an action, a citizen may seek three times the value of any damages caused by the failure of a country or company to comply. The amount of damages described in the preceding sentence shall be paid by the business enterprise (or business enterprises) the operations or conduct of which is responsible for the failure to meet the standards set forth under subparagraphs (A) through (G) of section 201(b)(1), section 201(c), and section 201(d) of this Act.

(e) DEFINITIONS.—In this section, the term ''Agreement on Textiles and Clothing'' means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

(h) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 1999 and shall remain in effect through September 30, 2006.

AMENDMENT NO. 2406

Strike Sec. 111 and insert the following:

SEC. 111 ELIGIBILITY FOR CERTAIN BENEFITS.

(a) IN GENERAL.—Title V of the Trade Act of 1974 is amended by inserting after section 506 the following new section:

''SEC. 506A. DESIGNATION OF SUB-SAHARAN AFRICAN COUNTRIES FOR CERTAIN BENEFITS.

''(a) AUTHORITY TO DESIGNATE.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the President is authorized to designate a country listed in section 4 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b), if the President determines that the country—

''(A) has established, or is making continual progress toward establishing—

''(i) a market-based economy, where private property rights are protected and the principles of an open, rules-based trading system are observed;

''(ii) a democratic society, where the rule of law, political freedom, participatory democracy, and the right to due process and a fair trial are observed;

''(iii) an open trading system through the elimination of barriers to United States trade and investment and the resolution of bilateral trade and investment disputes; and

''(iv) economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, and promote the establishment of private enterprise;

''(B) does not engage in gross violations of internationally recognized human rights or provide support for acts of international terrorism and cooperates in international efforts to eliminate human rights violations and terrorist activities;

''(C) subject to the authority granted to the President under section 502 (a), (d), and (e), otherwise satisfies the eligibility criteria set forth in section 502;

''(D) has established that the cost or value of the textile or apparel product produced in the country, or by companies in any 2 or more sub-Saharan African countries, plus the direct costs of processing operations performed in the country or such countries, is not less than 60 percent of the appraised value of the product at the time it is entered into the customs territory of the United States; and

''(E) has established that not less than 90 percent of employees in business enterprises producing the textile and apparel goods are citizens of that country, or any 2 or more sub-Saharan African countries.

''(2) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor and review the progress of each country listed in section 4 of the African Growth and Opportunity Act in meeting the requirements described in paragraph (1) in order to determine the current or potential eligibility of each country to be designated as a beneficiary sub-Saharan African country for purposes of subsection (a). The President shall include the reasons for the President's determinations in the annual report required by section 105 of the African Growth and Opportunity Act.

''(3) CONTINUING COMPLIANCE.—If the President determines that a beneficiary sub-Saharan African country is not making continual progress in meeting the requirements described in paragraph (1), the President shall terminate the designation of that country as

a beneficiary sub-Saharan African country for purposes of this section, effective on January 1 of the year following the year in which such determination is made.

''(b) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—

''(1) IN GENERAL.—The President may provide duty-free treatment for any article described in section 503(b)(1) (B) through (G) (except for textile luggage) that is the growth, product, or manufacture of a beneficiary sub-Saharan African country described in subsection (a), if, after receiving the advice of the International Trade Commission in accordance with section 503(e), the President determines that such article is not import-sensitive in the context of imports from beneficiary sub-Saharan African countries.

''(2) RULES OF ORIGIN.—The duty-free treatment provided under paragraph (1) shall apply to any article described in that paragraph that meets the requirements of section 503(a)(2), except that—

''(A) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A) of section 503(a)(2); and

''(B) the cost or value of the materials included with respect to that article that are produced in one or more beneficiary sub-Saharan African countries shall be applied in determining such percentage.

''(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 4 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.''.

''(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 104 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.''.

(b) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

''(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any beneficiary sub-Saharan African country.''.

(c) TERMINATION.—Title V of the Trade Act of 1974 is amended by inserting after section 506A, as added by subsection (a), the following new section:

''SEC. 506B. TERMINATION OF BENEFITS FOR SUB-SAHARAN AFRICAN COUNTRIES.

''In the case of a country listed in section 104 of the African Growth and Opportunity Act that is a beneficiary developing country, duty-free treatment provided under this title shall remain in effect through September 30, 2006.''.

(d) CLERICAL AMENDMENTS.—The table of contents for title V of the Trade Act of 1974 is amended by inserting after the item relating to section 505 the following new items:

''506A. Designation of sub-Saharan African countries for certain benefits.
''506B. Termination of benefits for sub-Saharan African countries.''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000.

AMENDMENT NO. 2407

At the appropriate place, insert the following new title:

TITLE ___HIV/AIDS EPIDEMIC IN SUB-SAHARAN AFRICA

SEC. ___01. FINDINGS AND POLICY.

(a) IN GENERAL.—Congress finds that, in addition to drought and famine, the HIV/AIDS epidemic has caused countless deaths and untold suffering among the people of sub-Saharan Africa.

(b) POLICY.—It is the policy of Congress, in developing new economic relations with sub-Saharan Africa, to assist sub-Saharan African countries in efforts to make safe and efficacious pharmaceuticals and medical technologies as widely available to their populations as possible.

(c) AMENDMENTS TO FOREIGN ASSISTANCE ACT OF 1961.—

(1) Section 496(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(a)(1)) is amended by striking ''drought and famine'' and inserting ''drought, famine, and the HIV/AIDS epidemic''.

(2) Section 496(i)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(i)(2)) is amended by striking ''(including displaced children)'' and inserting ''(including displaced children and improving HIV/AIDS prevention and treatment programs)''.

SEC. ___02. REQUIREMENTS RELATING TO SUB-SAHARAN AFRICAN INTELLECTUAL PROPERTY AND COMPETITION LAW.

(a) FINDINGS.—Congress finds that—

(1) since the onset of the worldwide HIV/AIDS epidemic, approximately 34,000,000 people living in sub-Saharan Africa have been infected with the disease;

(2) of those infected, approximately 11,500,000 have died; and

(3) the deaths represent 83 percent of the total HIV/AIDS-related deaths worldwide.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) it is in the interest of the United States to take all necessary steps to prevent further spread of infectious disease, particularly HIV/AIDS; and

(2) individual countries should have the ability to determine the availability of pharmaceuticals and health care for their citizens in general, and particularly with respect to the HIV/AIDS epidemic.

(c) LIMITATIONS ON FUNDING.—Funds appropriated or otherwise made available to any department or agency of the United States may not be obligated or expended to seek, through negotiation or otherwise, the revocation or revisions of any sub-Saharan African intellectual property or competition law or policy that is designed to promote access to pharmaceuticals or other medical technologies if the law or policy, as the case may be, complies with the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act.

AMENDMENT NO. 2408

At the appropriate place, insert the following new section:

SEC. ___. ANTICORRUPTION EFFORTS.

(a) FINDINGS.—Congress makes the following findings:

(1) Corruption and bribery of public officials is a major problem in many African countries and represents a serious threat to the development of a functioning domestic private sector, to United States business and trade interests, and to prospects for democracy and good governance in African countries.

(2) Of the 17 countries in sub-Saharan Africa rated by the international watchdog group, Transparency International, as part of the 1998 Corruption Perception Index, 13 ranked in the bottom half.

(3) The Organization for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which has been signed by all 29 members of the OECD plus Argentina, Brazil, Bulgaria, Chile, and the Slovak Republic and which entered into force on February 15, 1999, represents a significant step in the elimination of bribery and corruption in international commerce.

(4) As a party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the United States should encourage the highest standards possible with respect to bribery and corruption.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the United States should encourage at every opportunity the accession of sub-Saharan African countries, as defined in section 6, to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

AMENDMENT NO. 2409

At the appropriate place, insert the following new title:

TITLE ___DEVELOPMENT ASSISTANCE FOR SUB-SAHARAN AFRICAN COUNTRIES

SEC. ___01. FINDINGS.

(a) IN GENERAL.—Congress makes the following findings:

(1) In addition to drought and famine, the HIV/AIDS epidemic has caused countless deaths and untold suffering among the people of sub-Saharan Africa.

(2) The Food and Agricultural Organization estimates that 543,000,000 people, representing nearly 40 percent of the population of sub-Saharan Africa, are chronically undernourished.

(b) AMENDMENT TO FOREIGN ASSISTANCE ACT OF 1961.—Section 496(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(a)(1)) is amended by striking ''drought and famine'' and inserting ''drought, famine, and the HIV/AIDS epidemic''.

SEC. ___02. PRIVATE AND VOLUNTARY ORGANIZATIONS.

Section 496(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(e)) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following:

''(2) CAPACITY BUILDING.—In addition to assistance provided under subsection (h), the United States Agency for International Development shall provide capacity building assistance through participatory planning to private and voluntary organizations that are involved in providing assistance for sub-Saharan Africa under this chapter.''.

SEC. ___03. TYPES OF ASSISTANCE.

Section 496(h) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(h)) is amended by adding at the end the following:

''(4) PROHIBITION ON MILITARY ASSISTANCE.—Assistance under this section—

''(A) may not include military training or weapons; and

''(B) may not be obligated or expended for military training or the procurement of weapons.''.

SEC. ___04. CRITICAL SECTORAL PRIORITIES.

(a) AGRICULTURE, FOOD SECURITY AND NATURAL RESOURCES.—Section 496(i)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(i)(1)) is amended—

(1) in the heading, to read as follows:

''(1) AGRICULTURE, FOOD SECURITY AND NATURAL RESOURCES.—'';

(2) in subparagraph (A)—

(A) in the heading, to read as follows:

''(A) AGRICULTURE AND FOOD SECURITY.—'';

(B) in the first sentence—

(i) by striking ''agricultural production in ways'' and inserting ''food security by promoting agriculture policies''; and

(ii) by striking '', especially food production,''; and

(3) in subparagraph (B), in the matter preceding clause (i), by striking ''agricultural production'' and inserting ''food security and sustainable resource use''.

(b) HEALTH.—Section 496(i)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(i)(2)) is amended by striking ''(including displaced children)'' and inserting ''(including displaced children and improving HIV/AIDS prevention and treatment programs)''.

(c) VOLUNTARY FAMILY PLANNING SERVICES.—Section 496(i)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(i)(3)) is amended by adding at the end before the period the following: ''and access to prenatal healthcare''.

(d) EDUCATION.—Section 496(i)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(i)(4)) is amended by adding at the end before the period the following: ''and vocational education, with particular emphasis on primary education and vocational education for women''.

(e) INCOME-GENERATING OPPORTUNITIES.—Section 496(i)(5) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(i)(5)) is amended—

(1) by striking ''labor-intensive''; and

(2) by adding at the end before the period the following: '', including development of manufacturing and processing industries and microcredit projects''.

SEC. ___05. REPORTING REQUIREMENTS.

Section 496 of the Foreign Assistance Act of 1961 (22 U.S.C. 2293) is amended by adding at the end the following:

''(p) REPORTING REQUIREMENTS.—The Administrator of the United States Agency for International Development shall, on a semi-annual basis, prepare and submit to Congress a report containing—

''(1) a description of how, and the extent to which, the Agency has consulted with non-governmental organizations in sub-Saharan Africa regarding the use of amounts made available for sub-Saharan African countries under this chapter;

''(2) the extent to which the provision of such amounts has been successful in increasing food security and access to health and education services among the people of sub-Saharan Africa;

''(3) the extent to which the provision of such amounts has been successful in capacity building among local nongovernmental organizations; and

''(4) a description of how, and the extent to which, the provision of such amounts has furthered the goals of sustainable economic and agricultural development, gender equity, environmental protection, and respect for workers' rights in sub-Saharan Africa.''.

SEC. ___06. SEPARATE ACCOUNT FOR DEVELOPMENT FUND FOR AFRICA.

Amounts appropriated to the Development Fund for Africa shall be appropriated to a separate account under the heading ''Development Fund for Africa'' and not to the account under the heading ''Development Assistance''.

THURMOND AMENDMENT NO. 2410

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . TRADE ADJUSTMENT ASSISTANCE FOR TEXTILE AND APPAREL WORKERS.

Notwithstanding any other provision of law, workers in textile and apparel firms who lose their jobs or are threatened with job loss as a result of either (1) a decrease in the firm's sales or production; or (2) a firm's plant or facility closure or relocation, shall be certified by the Secretary of Labor as eligible to receive adjustment assistance at the same level of benefits as workers certified under subchapter D of chapter 2 of title II of the Trade Act of 1974 not later than 30 days after the date a petition for certification is filed under such title II.

DURBIN AMENDMENT NOS. 2411–4212

(Ordered to lie on the table.)

Mr. DURBIN submitted two amendments intended to be proposed by him to amendment No. 2325 proposed by Mr. ROTH to the bill, H.R. 434, supra, as follows:

AMENDMENT NO. 2411

On page 20, line 10, after ''Africa'', insert the following: ''and to encourage sub-Saharan African countries to sign the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions''.

AMENDMENT NO. 2412

On page 10, strike lines 3 through 12, and insert the following:

''(iii) an open trading system through the elimination of barriers to United States trade and investment and the resolution of bilateral trade and investment disputes;

''(iv) economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, and promote the establishment of private enterprise; and

''(v) a system to combat corruption and bribery, such as signing the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;

NOTICE OF HEARING

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet during the session of the Senate on Thursday, November 4, 1999 at 9:30 a.m. to conduct a Joint Hearing with the House Committee on Resources on S. 1586, the Indian Land Consolidation Act Amendments of 1996; and S. 1315, to permit the leasing of oil and gas rights on Navajo allotted lands.

The hearing will be held in room 106, Dirksen Senate Building.

Please direct any inquiries to Committee staff at 202/224–2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. MACK. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 9:30 a.m. on Thursday, October 28, 1999, in open session, to receive testimony on U.S. National Security Implications of the 1999 NATO Strategic Concept.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. MACK. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, October 28, 1999 at 10:30 and 3:00 p.m. to hold two hearings.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MACK. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be permitted to meet on Thursday, October 28, 1999 at 10:00 a.m. for a hearing on the nomination of Joshua Gotbaum to be Controller, Office of Management and Budget.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. MACK. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, October 28, 1999 at 2:00 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON ANTITRUST, BUSINESS RIGHTS, AND COMPETITION

Mr. MACK. Mr. President, the Committee on the Judiciary Subcommittee on Antitrust, Business Rights, and Competition requests unanimous consent to conduct a hearing on Thursday, October 28, 1999 beginning at 1:30 p.m. in Dirksen Room 226.

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

SUBCOMMITTEE ON MANUFACTURING AND COMPETITIVENESS

Mr. MACK. Mr. President, I ask unanimous consent that the Manufacturing and Competitiveness Subcommittee of the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, October 28, 1999, at 2:00 p.m. on challenges confronting machine tool industry.

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

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. MACK. Mr. President, I ask unanimous consent that the Science, Technology and Space Subcommittee of the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, October 28, 1999, at 10:00 a.m. on E-Commerce.

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

SUBCOMMITTEE ON WATER AND POWER

Mr. MACK. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, October 28, for purposes of conducting a Water and Power Subcommittee hearing which is scheduled

to begin at 2:30 p.m. The purpose of this oversight hearing is to receive testimony on the Federal hydroelectric licensing process.

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

ADDITIONAL STATEMENTS

150TH ANNIVERSARY OF PFIZER, INC.

● Mr. DODD. Mr. President, I rise today to congratulate Pfizer, Inc., on its 150th anniversary and to applaud the company for its many innovations in the pharmaceutical industry. The history of Pfizer is one of risk-taking, confident decision-making, and dramatic medical advances. It is the story of a small chemical company founded in Brooklyn, New York, which over 150 years has evolved into one of the world's premier pharmaceutical enterprises.

Cousins Charles Pfizer and Charles Erhart emigrated to the United States from Germany in the mid-1840s. In New York City, the young cousins combined their skills and in 1849 founded a small chemical firm. Charles Pfizer & Company improved the American chemical market by manufacturing specialty chemicals that had not yet been produced in America. During its first 75 years, the company made many important discoveries and marketed popular and effective drug treatments. Union soldiers used Pfizer drugs extensively during the Civil War.

However, Pfizer's real emergence as an industry leader was the result of a daring risk taken by Pfizer executives in the 1940s. In 1928, when Alexander Fleming discovered the germ-killing properties of penicillin, he knew that it could have a profound medical value. Yet, Fleming could not figure out a way to mass-produce the drug. In 1941, following new discoveries relating to this ''wonder drug'', Pfizer executives put their own stocks at stake and invested millions of dollars in finding a way to mass-produce penicillin. Eventually, they succeeded. The breakthrough came just in time to send penicillin to the front lines of World War II.

From that point forward, Pfizer evolved into an international leader in the pharmaceutical industry, opening facilities around the globe and developing new and effective antibiotics to combat deadly infectious diseases. Pfizer's products, which treat a variety of diseases and disorders, are now available in 150 countries. The company also has thriving consumer health care and animal health care divisions. Pfizer now employs close to 50,000 people in 85 countries, including 4,939 employees in their Groton research facility, which lies in my home state of Connecticut.

The desire to live a healthy life is universal. But for millions of people around the world, access to high quality health care remains out of reach. Pfizer is committed to bringing its medicines to those in need. Through Sharing the Care, a program started in 1993, Pfizer has filled more than 3.0 million prescriptions—valued at over $170 million—for more than one million uninsured patients in the United States. The program was cited by American Benefactor, a leading philanthropy journal, in selecting Pfizer as one of America's 25 most generous companies for 1998.

Pfizer today is renowned as one of the world's most admired corporations for the many contributions it has made to our society. I applaud Pfizer on its 150th anniversary for its continued efforts to making this nation and this world a healthier place.●

RESIGNATION OF WALLY BEYER

● Mr. CONRAD. Mr. President, I rise today to recognize the achievements of a true public servant, a fellow North Dakotan, and a man I am proud to call my friend.

Wally Beyer has served this nation as Administrator of the Rural Utilities Service, the former Rural Electric Administration, for 6 years now.

Wally is the 12th administrator of the agency originally created by Franklin Roosevelt; an agency that has developed as we've developed as a nation: from providing basic electric and telecommunications needs for America's rural areas, to making sure rural America takes its rightful place in the new communication age.

Wally has helped steer the RUS toward not only providing the critical continuing need for clean water and waste water facilities, but into new territory of critical distance-learning and medical links for areas that otherwise might not have access to these important services.

Since he was first nominated by President Clinton and confirmed by the Senate in late 1993, Wally's steady hand, professional skill and patience has served our Nation well.

Whether it was to guide the refinancing of electric borrowers through the high interest years of the 1970's and 80's, or to lead the modernization and stream-lining of rules and regulations at the RUA, Wally Beyer managed the agency with a careful balancing of the needs of rural America and the needs of the American taxpayer.

Wally Beyer has served this nation well. As a crew chief for the U.S. Air Force air rescue squadron in the Caribbean in the 50's, as an engineer for the Verendrye Electric Cooperative bringing electricity to north central North Dakota, and as head of the reinvigorated RUS.

Wally plans to return to our native North Dakota, along with his wife Pat. With three married children and three growing grandchildren, he says he will stay active and involved in public service. Washington's loss will be North Dakota's gain as Wally Beyer returns home to the land we both love.

In a recent speech announcing those plans, Wally said, ''My season has come. I feel good about it. I've got to get back to North Dakota where the air is sweet. You won't miss me when I'm gone.''

Well Wally. Your legacy at the RUS is in tact, and thanks to your hard work is, as you said, ''humming along.''

But you are wrong to say you won't be missed. Your selfless service to the public good will be missed by many, who will have to continue the restructuring of the electric utility industry without your sure hand.

You will be missed by those electric consumers in 46 States that were well aware that you, as a rural resident, understood their needs.

And you will be missed by those who relied on your friendship and good judgement when seeking to solve the long term problems continuing to plague rural America.

So, as you take your leave, I know my colleagues in the Senate join me in wishing you and your family the very best in what ever path you choose.

You have made a lasting impact and a worthwhile contribution to your country. Wally Beyer, you have made a difference and we are all better for it. Thank you, Mr. Administrator.●

IN RECOGNITION OF CAMIE OGREN

● Mr. HOLLINGS. Mr. President, it is my pleasure today to recognize an outstanding South Carolina athlete, Camie Ogren. In August, Camie brought home gold medals in the tricks event, the jump event and the team overall competition in the 1999 World Disabled Water Ski Championships in Windsor, England. This was her fifth trip to the international competition representing the U.S. Disabled Water Ski Team. In 1998, Camie broke the women's world record for slalom at the National Disabled Championships in Birmingham, Ala., where she also won four gold medals in the leg amputee division.

Skiing has been an important part of Camie's life since her childhood in Windermere, Florida near Orlando, and in the finest athletic spirit, she continued to pursue the sport after bone cancer claimed her right leg more than 10 years ago when she was 15. Two weeks after her leg was amputated, Camie was back in the water and a few months later she competed in her first world championship in Australia where she earned second and third place honors.

She moved to Charleston, S.C. a year and a half ago to work with the Medical University of South Carolina's Anchors Away program. Operated through the Department of Physical Medicine and Rehabilitation, Anchors Away allows people with disabilities and their families access to boats and other recreational activities, mostly on the water. With her expertise, Camie helped Anchors Away form a disabled water ski team that competes in national competitions and has also conducted out-of-town ski clinics in South and North Carolina.

Camie is a remarkable person and athlete whose warmth and dedication to the sport of water-skiing has endeared her to the Charleston community. She serves as a powerful example to persons with disabilities of what they can achieve in the realm of competition. South Carolina is lucky to have Camie Ogren and her limitless energy in advancing her sport and its athletes.●

TRIBUTE TO COLONEL BERNT BALCHEN

● Mr. STEVENS. Mr. President, Col. Bernt Balchen, A Norwegian-born pilot, became one of America's great Arctic experts of the 20th Century. A patriotic American, he was also a great friend of the State of Alaska.

Born in Norway on October 23, 1899. Colonel Balchen served in the French Foreign Legion, and both the Finnish and Norwegian Armies in World War I; and became a pilot in the Norwegian Naval Air Corps in 1921.

Throughout the 1920's and 1930's Colonel Balchen participated in numerous trans-Atlantic and Arctic expeditions. During 1928–1930, Balchen was chief pilot on Admiral Byrd's Atlantic expedition and on November 29, 1929, he piloted the first airplane, a Ford trimotor ''Floyd Bennett'' across the South Pole. Congress conferred United States citizenship of Colonel Balchen in 1931.

When World War II started in 1939, Colonel Balchen began ferrying airplanes to England and Singapore for the British. In 1941, he joined the United States Army Air Corps at the request of General ''Hap'' Arnold, and was assigned to Greenland to Supervise the Construction of, and later command, our famous airbase known as ''Bluie West 8''. His command is credited with numerous rescue missions saving many pilots whose planes had gone down on the icecap.

In 1943, Balchen became chief of allied transportation command for Norway, Sweden, Denmark, Finland, and the Soviet Union, operating out of a secret base in Scotland. During that period, his command regularly flew across enemy-occupied territory to rescue downed allied airmen and insert commandos and intelligence agents behind enemy lines. He also led highly secret missions into Norway to resupply underground resistance forces for their operations against the German army of occupation.

After the war, Balchen was recalled to active duty with the United States Air Force in 1948 and assigned to command the 10th rescue squadron at Elemendorf Air Force Base, Alaska. The techniques of Arctic Rescue that Colonel Balchen developed during this assignment continue to save the lives of civilian and military personnel to this day. In May 1949, he flew a Douglas C–54 from Fairbanks, Alaska over the North Pole to Oslo, Sweden, becoming the first pilot to fly over both Poles.

Colonel Balchen was transferred to headquarters, United States Air Force in 1951 to participate in developing the Ballistic missile early warning system (BMEWS). Also, he was instrumental in the establishment of Thule Air Force base in Greenland and blazed airborne trails to assist both commercial and military aviation in the Arctic region. After retiring from the Air Force in 1956, Balchen continued to serve on special assignment and as a consultant to the military.

Col. Bernt Balchen died on October 23, 1973, and is buried in Arlington National Cemetery. His lifetime achievements influenced the course of Aviation, arctic, and military history. His legacy to this country and to my State of Alaska is a strong northern defense, an established transpolar aviation system, a better understanding of the world's polar regions, and, of course, the lives of those rescued by Colonel Balchen and the men and women who continue his work with the United States Air Force Rescue Service.●

MAKING FURTHER CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 2000

Mr. LOTT. Mr. President, I ask unanimous consent the Senate now proceed to the consideration of H.J. Res. 73, the continuing resolution, which is at the desk. I further ask consent the joint resolution be read a third time and passed and the motion to reconsider be laid upon the table.

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

The joint resolution (H.J. Res. 73) was read the third time and passed.

UNANIMOUS CONSENT REQUEST—EXECUTIVE CALENDAR

Mr. LOTT. I ask unanimous consent the Senate immediately proceed to executive session to consider the following nominations on the Executive Calendar:

No. 98, Cheryl Shavers, to be Under Secretary of Commerce for Technology; No. 99, Kelly Carnes, to be Assistant Secretary of Commerce for Technology Policy; No. 133, Lawrence Harrington, to serve on the Inter-American Development Bank; Nos. 244, 245, and 246, three Mississippi River Commissioners; No. 253, Thomas Leary, to be a Federal Trade Commissioner; No. 254, Stephen Van Beek, to be Associate Deputy Secretary of Transportation; No. 255, Michael Frazier, for the position of Assistant Secretary of Transportation; No. 256, Gregory Rohde, to be Assistant Secretary of Commerce for Communications; No. 270, Florence-Marie Cooper, to be a U.S. district judge in the Central District of California; No. 274, Barbara Lynn, to be a U.S. district judge for the Northern District of Texas; No. 277, Gerald Poje, to serve on the Chemical Safety and Hazard Investigation Board; No. 278, Skila Harris, to be on the TVA Board of Directors; No. 279, Glenn McCullough, to be on the TVA Board of Directors; No. 238, Dorian Vanessa Weaver, for the Export-Import Bank; and No. 239, Dan Renberg, to be on the Export-Import Bank; and then Nos. 281 through 290, ten sentencing commissioners; and No. 293, Paul Seave, to be U.S. Attorney for the Eastern District of California.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. I have a question of the leader. Will the majority leader agree to delete No. 279 from the list of nominations?

Mr. LOTT. Mr. President, I inquire of the Senator, is that Glenn McCullough of Mississippi, my home State, to be a member of the Tennessee Valley Authority board of directors?

Mr. GRAHAM. Yes.

Mr. LOTT. No, I will not agree to that. I should point out there are some 27 nominations—25 nominations plus 2 more on which I was going to ask for agreement on a time limit and a vote, the nomination of Linda Morgan to be a member of the Surface Transportation Board—her nomination has been held up quite sometime, but I have agreement now to proceed to a recorded vote on that one, and also No. 271, the nomination of Ronald Gould of Washington to be a U.S. judge for the Ninth Circuit. We need to request 1 hour of debate and a recorded vote. There are a total of 27 nominations here, including 2 that will have to have a recorded vote. It is a package. They all go or none go.

Mr. GRAHAM. In light of that, Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, if I can be heard briefly on that. I want to emphasize this is a very large package of 27 nominations. Most of them are people who are supported by Democrats, I guess 23, 24, 25 of those. There are two or three that are Republican positions. One of them is for the Tennessee Valley Authority, which I presume is being objected to for an unrelated reason because, clearly, there is no problem with this nominee.

I will be back early next week with additional nominations that will run this package up to, I presume, between 34 and 40 nominations. All I can do is get them cleared and then offer them to the Democrats. If they object, then that is their problem.

I should also note that included in this group was not one, not two, but three judges, two of them women. One of the women is from California and one of them is from Texas. So for one 6-year appointment—I believe it is a 6-year term—to the Tennessee Valley Authority where there is a need for these two directors, they are willing to hold up 27 nominations, including two

women nominated to U.S. district courts.

That is not real smart. I do not quite understand it, and I hope the leadership and the President will speak to those who object in this way because I have heard all kinds of rhetoric today about how it is difficult if you are a woman or minority to get your nomination approved. In fact, I believe the record will show over the last 3 years this Congress and the previous Congress has confirmed a higher percentage of women and minorities than any Congress in history.

I do note it is pretty hard to go back and look at all the nominations and determine exactly how many minorities were approved because there is no record. We do not check whether you are a minority—African American or Hispanic or Asian. You are a person. All we can tell by your name is if you are a man or woman. Based on just the gender statistic, in fact, since I have been majority leader, I believe the record will show we have approved a lot more women than George Mitchell did when he was majority leader.

These accusations that were made today ring hollow. I hate to see the Senate stoop to that level. I met with White House officials today and told them we were going to try to clear these 27 nominations, and we will keep trying to move them all. I do not think it is reasonable to try to hold up one 6-year-term nominee to try to get two lifetime nominees to the Ninth Circuit Court of Appeals, a circuit that already has too many activist judges in it, a circuit that is the most liberal in this country, a circuit that is overruled more than any other circuit in the country by the Supreme Court, a circuit basically that is out of control. The nominees for these two positions have given rise to a great deal of controversy, to serious questions about whether they would be activists on the court, and to grave concerns about their records.

I understand the objection, and hopefully we can clear it up early tomorrow or next week. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

IN HONOR OF JOHN CHAFEE

Mr. BENNETT. Mr. President, I was in New York on Monday to hold a hearing of the Y2K Committee when Senator MOYNIHAN, a member of that committee, joined me. I greeted him with the normal good humor that we greet one of our colleagues, but he did not respond in good humor. Instead, he said to me: I have very sad news. I was a little surprised at that and asked him what was so significant as to cause him to be so downcast. He said: John Chafee died. That was very sad news, indeed.

I was stunned, along with my colleague from New York, and had to reflect on how recently I had seen John Chafee, spoken with him, found him in good spirits, if not in good health. Indeed, I thought he was in good health.

On Friday of last week, I was addressing a group of students from the State of Utah answering their questions about the Senate and Senate procedure and Senate life and was interested when I got a question that I often get from people outside of the political arena. It was: Tell us about life as a Senator. And specifically this question was: Tell us about the Senators. Then the questioner said: Tell us who your friends are.

That is always an interesting question. You want to be careful about the answer because you do not want to offend anyone by leaving them out. But I said to that group on Friday: I have many friends in the Senate, but one of my closest friends is John Chafee.

I put those two incidents over the weekend together. On Friday, I am citing the name of John Chafee as one of my closest friends, and on Monday, one of my other friends in this body tells me of John's passing.

I have waited until now to take the floor to pay tribute to John Chafee, partly because of the press of business and partly because I was afraid I could not keep my composure. Those who know me well know my emotions sometimes run very close to the surface. I get dewy-eyed at the dedication of a parking lot. For that reason, an occasion such as this one can be a difficult one. At the same time, however, I want to look at the death of John Chafee from a slightly different perspective.

We mourn his passing. We become emotional at the thought of his loss. But we should recognize in many ways this is a time for rejoicing.

I have had the experience, along with many others, of dealing with aging parents. My father was 95, my mother 96, when they passed away—neither one of them in good health.

My mother dealt with an aging parent in her lifetime, a father who had a stroke and then lingered for a number of years thereafter. Mother used to say to us: If I'm killed in an automobile accident, rejoice. I don't look forward to going through old age.

When people retire, very often they go downhill rapidly. John showed no signs of that, but his health was failing. He had been in the hospital for a back problem. He was not an old man by my standards. Seventy-seven seems increasingly younger as I get closer to it myself. But I think of the possibility of John Chafee running downhill in old age. I think we might rejoice that he was spared that.

John Chafee left at the top of his game, at the top of his form. He was a Senator's Senator. He was involved in everything. We did not vote together very often, but when we did, he was always grateful; and when we did not, he was always understanding. I never had an occasion where John Chafee was disapproving.

We stood together on one issue where we were two of four Republicans—one of the occasions where we crossed the line; John did that more often than I—to join with a group of Democrats. That was the flag amendment. John and I both had great reverence for the flag of the United States, but we felt our reverence for the Constitution outweighed that and that the Constitution should not be amended to deal with a nonexistent problem because flag burning is no longer going on in the United States, except by those who want to goad us into attempting to amend the Constitution. At least that is the way I saw it and that is the way John saw it. He was always friendly and supportive when we had those kinds of problems.

The thing I will remember the most about John Chafee, as a Senator's Senator, was the way he would go after problems and not people, the way he would tackle challenges and not the challengers, the way he would maintain a constant good humor, even in the face of difficulties within his own party or difficulties from across the aisle.

It is a time for rejoicing, rejoicing because we had the privilege of dealing with this man, right up to the end of his life, and then seeing him spared the long good-bye that we are seeing in others—Ronald Reagan, for example. I think if John Chafee were given the choice, he would take the choice the Good Lord has given him rather than lingering on in some crippled fashion. He had a weak heart, weaker than any of us knew. The possibility of that kind of situation was perhaps there, but I am following the advice of my mother, who, looking at the possibility of an old age, said: If I'm taken suddenly, don't mourn. Rejoice.

There is very little I think we can add to the accomplishments of John Chafee's life. We can rejoice that we knew him, served with him, and we were with him right up to the moment where he left, as I say, at the top of his game.

I extend my deepest sympathies and condolences to his family. I have met both his wife and his son. I know what fine people they are. I know how desperately they feel this loss.

ORDERS FOR FRIDAY, OCTOBER 29, 1999

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Friday, October 29. I further ask consent that on Friday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin 30 minutes of debate equally divided between the two leaders on H.R. 434, the African trade bill. I further ask consent that the cloture vote occur at 10 a.m. on Friday.

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

PROGRAM

Mr. BENNETT. For the information of all Senators, the Senate will begin debate on the African trade bill at 9:30 a.m. Following 30 minutes of debate, the Senate will proceed to a cloture vote on the Roth substitute amendment to the trade bill. Therefore, the first vote will occur at approximately 10 a.m.

If cloture is not invoked on the trade bill, it is the majority leader's intention to move on to other legislative items. This trade bill has been the pending business for 1 week, as of tomorrow's date. One week is precious time when the end of a congressional session is near. The majority leader will, of course, notify the minority leader as to the next legislative item that he intends to bring up.

The Senate may also begin consideration of the conference report to accompany the D.C./Labor-HHS bill, with the vote anticipated early next week.

ORDER FOR ADJOURNMENT

Mr. BENNETT. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of the Senator from Florida.

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

The Senator from Florida.

COMMENDING SENATOR BENNETT

Mr. GRAHAM. Mr. President, I have a statement to make on legislation which I will introduce this evening. But prior to that, I express my gratitude for the eloquence of the remarks the Senator from Utah has just delivered on behalf of our friend, John Chafee1. Many of us have attempted to reach into our souls and express the depth of our affection for this special man. The Senator from Utah has succeeded in that effort. I commend him and thank him for sharing those emotions.

Mr. President, I have a second item before I turn to my remarks for purposes of an introduction.

THE TAX EXTENDER BILL

Mr. GRAHAM. Mr. President, I have exercised the prerogative, which is each Senator's, to place a hold, which means legislation cannot be brought up without at least referring to and discussing it with the Senator who has placed the hold. In this case, I did so on the legislation which is commonly referred to as the tax extender bill. This is legislation which extends the life of a number of current tax provisions. As a member of the Finance Committee, I support this legislation and I will vote for this legislation. I am going to announce publicly that I am withdrawing the hold I had on that legislation. I will give a brief explanation.

First, I am doing so because I think, in the spirit of comity and the effort to get important work accomplished during what I hope will be the relatively few days remaining in this first session of the 106th Congress, it is appropriate to allow the Senate to take up this legislation without further delay insofar as it is the product of my action.

Second, an explanation of why I imposed the hold in the first instance: I supported this legislation. I supported it in large part because it meets what I think is a fundamental test—it is paid for. This legislation contains increases in certain taxes sufficient to cover the cost of the tax relief which will be made available through the extenders. Not to do that would have had the effect of dipping into the surplus. Now that means dipping into the Social Security surplus, since we have already spent the non-Social Security surplus. This bill meets the test of being fiscally prudent.

However, I alert the Senate that there was another bill, which in many ways was a companion of the tax extender legislation, voted out of the Finance Committee almost simultaneously with the tax extender legislation. That is legislation which will provide for increases in the reimbursement level to providers of various health care services under the Medicare program. Again, I support the concept that there is a justifiable case for increasing those reimbursements. We have done so, in this legislation that the Senate will possibly soon be considering, in the amount of approximately $1 billion in fiscal year 2000, $5 billion in fiscal year 2001, and an additional $9 billion over the next 8 years, for a total of $15 billion.

My criticism of that legislation is, unlike the tax extender bill, it is not paid for. Therefore, we will be asked to vote for $15 billion of additional spending, which will have to come directly out of the Social Security surplus. It had been my intention, by holding the tax extender bill, to propose an amendment to the tax extender bill which would have been the additional reimbursement for Medicare providers but with an appropriate offset so that there would be $15 billion either of reduced spending elsewhere or additional taxes to pay for the additional reimbursement for Medicare providers. It had been my thought that by merging these two bills together and using this as an opportunity to provide the offsets for the Medicare reimbursement increases, we would be able to send to the House of Representatives legislation which it might both consider and favorably vote upon.

It now appears that, in fact, we are not going to take up the increased reimbursement to Medicare providers, at least not take it up as separate legislation. Rather, it will be either delayed to some future date or taken up as part of the likely end-of-session major financial compromise.

It appears as if there is no purpose to be gained by holding the tax extender bill for purposes of offering an amendment to a bill which is not going to be taken up anyway. For those somewhat convoluted reasons, but reasons which I hope will be satisfactory to the Members of the body, my colleagues, I am announcing that I am lifting the hold on the tax extender bill. It is my hope that we will soon pass it and that it will serve as a model for other legislation when we decide that it is important enough to extend a tax benefit to a certain class of taxpayers, or important enough to increase spending in the form of additional appropriations to certain citizens of this country, that we will have the fortitude to make the judgment as to how we are going to pay for either those reductions in revenue from one source or increase in appropriations to another.

(The remarks of Mr. GRAHAM pertaining to the introduction of S. 1827 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I ask unanimous consent I be allowed to proceed as in morning business for 4 minutes.

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

Mr. LEVIN. I thank the Chair because I know it is extending beyond the time which the Senate was to be in session, and as always I appreciate his courtesy.

COMMENDATION OF SENATOR GRAHAM

Mr. LEVIN. Mr. President, before the Senator from Florida leaves the floor, let me commend him for a very visionary statement about education, the need for an additional large number of teachers, and the vast source of knowledge which we can tap if we utilize people who have had a previous occupation and then are willing to go into teaching, which surely is as high a calling as exists, I believe, anywhere in the world. Teachers should be placed way up there on a pedestal, as far as I am concerned, because of the responsibilities they are given and the commitment so many of them have shown.

I want to extend my congratulations to the Senator from Florida for selecting an area where we can really make a contribution through legislation to not only our children but to students at whatever age through the use of these great pools of talent he has identified.

IN HONOR OF SENATOR JOHN CHAFEE

Mr. LEVIN. Mr. President, every Member of our Senate family was

gripped in sadness and grief when we heard of the death of John Chafee.

John Chafee was a giant for many reasons. He was a kind man. He was a truly gentle and a magnificently decent Senator.

Time and time again, as towering Senators of the past, John Chafee, a pragmatist, a moderate, a man of sound judgment and good sense, worked to cool the partisan passions in this body and led his colleagues of both parties toward common ground.

He was one of those Members to whom Senators looked for advice and for leadership on the host of issues in which he was an expert—health issues, environmental issues, transportation, and many issues where he was one of the most knowledgeable and effective leaders of this body.

He brought to this body an experience which was invaluable, as a marine, a war hero in two wars, and in the legislative battles of the Senate. One frequently sensed in John Chafee the kind of quiet self-confidence and steady determination of somebody who had survived real combat.

John Chafee was direct. He was without guile. He did not posture as he ambled about this body. He just talked straight and let his friends and his colleagues know what was on his mind and asked how he might be helpful.

There were no hidden agendas with John Chafee—just a straightforward, good-natured, decent and kind human being who cared deeply about the people of Rhode Island and of this Nation and who shared everything he had with us and with this Nation.

I visited often with John Chafee in his office, going there for advice to try to gather from him some of the wisdom which he had gathered over the years.

I shall miss, as will every Member of this body, his shy smile, his special integrity. He left an indelible mark on our hearts. I don't know whether his name is carved yet in that desk which has the flowers upon it. But he left a very deep mark on all of our hearts, on all of our souls, and on all of our spirits.

We can only hope his family takes comfort in the certain knowledge that John Chafee will be missed by a legion of friends, by all of his colleagues, and we will be sustained by his memory, by his integrity, by his character, and by his good nature.

As long as we serve in the Senate, every one of us who had the honor and privilege of serving with John Chafee will remember him in a very special way.

Again, I thank the Chair.

I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until the hour of 9:30 a.m. on Friday, October 29, 1999.

Thereupon, the Senate, at 7:55 p.m., adjourned until Friday, October 29, 1999, at 9:30 a.m.