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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:

God our Father, we pause in the midst of the changes and challenges of life to receive a fresh experience of Your goodness. You are consistent; You constantly fulfill Your plans and purposes; and You are totally reliable. There is no shadow of turning with You; as You have been, You will be forever. All of Your attributes are summed up in Your goodness. It is the password for Your presence, the metonym for Your majesty, and the synonym for Your strength. Your goodness is generosity that You define. It is Your abundant, unqualified love poured out in graciousness and compassion. You are good when circumstances seem bad. When we ask for Your help, Your goodness can bring what is best out of the most complicated problems.

Thank You for Your goodness given so lavishly to our Nation throughout our history. Today, we turn again to You for Your guidance about what is good for our country. Keep us grounded in Your sovereignty, rooted in Your Commandments, and nurtured by the absolutes of Your truth and righteousness. May Your goodness always be the source of our Nation's greatness. In the Name of our Lord and Savior. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT of Mississippi, is recognized.

SCHEDULE

Mr. LOTT. Mr. President, this morning, the Senate will immediately resume consideration of S. 1301, the Consumer Bankruptcy Protection Act. At long last, I think we are going to be able to complete action on this legislation and get it into conference and give us a good opportunity then to get this work completed by the session's end.

It is expected that several amendments will be offered and debated this morning, with a stacked series of rollcall votes occurring at approximately 11:45 a.m. It looks like there will be two votes, probably, in that sequence, at 11:45. Those votes will hopefully include passage of bankruptcy legislation. Following disposition of that bill, the Senate may consider any other legislative or executive items cleared for action.

At this time, I believe we will probably go to the Internet taxation bill. Although we have had discussions with the Democratic leadership, no further agreements have been reached on other bills. I wanted to put the managers of that legislation, Internet taxation, on notice that we may very well go to that, which would be shortly in the afternoon.

From 10 until 11 o'clock, there will be a ceremony in the Rotunda where the Hon. Nelson Mandela will receive the Congressional Gold Medal. A number of Senators will be involved in that ceremony. We will continue to work on this bill, but we will defer votes until after that ceremony is over.

I yield the floor.

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The PRESIDING OFFICER (Mr. BENNETT). Under the previous order, the Senate will now resume consideration of S. 1301, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1301) to amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Lott (for Grassley/Hatch) Amendment No. 3559, in the nature of a substitute.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I thank the majority leader for announcing the schedule this morning. Those who have followed the last few days of Senate debate know we are considering a reform of the bankruptcy code. We will be joined shortly by the Senator from Connecticut, Senator DODD, who will offer an amendment.

For those who have not paid attention to this debate, I hope that they have followed at least the outline of it and understand that what we are about is to try to change the bankruptcy code in a way that will reduce abusive filings—in other words, people who may be going into bankruptcy court to file for bankruptcy in a situation where they can, in fact, pay back either their debts or a sizable portion of those debts. We have tried to address this at several different levels. We have had a spirited debate about how to do it.

We understand the complexity of this. Historically, there has been a national commission which has taken a look at this rather complicated area of the law. I find myself in an unusual position here, having worked with my staff and studied this issue for a year, because I come to this with an interesting experience when it comes to bankruptcy law. Thirty years ago, I took a course in bankruptcy in law school. Twenty years ago, I was appointed trustee of a bankruptcy in my hometown of Springfield, IL, in one case. Now I bring that wealth of experience to this debate in an attempt to try to find our way through a very complicated area of the law. It was interesting.

Yesterday, when I spoke to a colleague of mine about bankruptcy, she

had said that she was surprised to learn how few people file bankruptcy with incomes over $50,000 a year. I told her that the average income of a person filing for bankruptcy in the United States of America is less than $18,000. So folks who are going into bankruptcy court, by and large, are people of very limited means. The average debt of the person going into bankruptcy court is about $28,000.

So if we are out to stop the high rollers and the abusers of the system, I hope that we take care in this bill, as well as in conference, to protect the vast majority of people petitioning the bankruptcy court for relief of their debts, who are, in fact, in lower-income categories, with a debt that is beyond their comprehension or at least their control.

As we go about these changes, I am glad to see that we have included amendments that not only try to tighten up the procedures in the bankruptcy court, but also say to the people in the credit industry that they have an equal obligation here. We want you to continue to extend credit across America so that American families and businesses can use credit cards and second mortgages and other things to finance their lives and businesses; but we want you to be certain that you follow some rules, too.

We have talked a lot about personal responsibility here when it comes to consumers. I think that is a valid observation. We also want to speak to corporate responsibility, so that those who are peddling these credit cards around the country, in fact, give full disclosure to the would-be consumers about the terms. Many of us will go home tonight and look through the mail, and you know what you are going to find—a stack of preapproved credit card applications. It is luring. People say: This can be easy. I will take all my debts and put them on one card. Look at this low interest rate; this is terrific. Let's do this right away.

Yet, they find that it is a teaser rate and only applies for a few months. If they decide in some instances to pay off their credit card at the end of each month, they may face a penalty. Yes, a penalty for paying off the balance on your card because, of course, the company makes money if you continue to really roll over the debt month after month and pay interest.

Senator REED of Rhode Island successfully offered an amendment that said that you have to have full disclosure if that is going to occur, and other amendments in this bill try to say to the consumers that you have a right to know, too. For example, if you pay the minimum monthly balance on your credit card, we have a provision in this bill that says you should state right under it how long it will take to pay off the credit card debt and how much you will pay in interest if you pay the minimum monthly amount.

So we are trying to strike a balance here—a balance that says those who come into court have to be, in fact, deserving of bankruptcy procedure, and that those who extend credit in this country have to be more open and honest in the way that they deal with consumers. I think that is the right balance. It still puts the burden on each of us to make the right decisions for ourselves and our families. It gives us the information about the credit card companies to make that decision more knowledgeably and with an understanding of what we are getting into.

At this time, I see my colleague from the State of Connecticut is here to offer his amendment under the unanimous consent agreement.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Connecticut is recognized to offer an amendment regarding student loans on which there will be 15 minutes: 10 minutes under the control of the Senator from Connecticut, and 5 minutes under the control of the Senator from Iowa.

The Senator from Connecticut.

Mr. DODD. Mr. President, first of all, we want to wrap this bill up, I gather, fairly quickly. I want to extend my congratulations to Senator GRASSLEY of Iowa, Senator HATCH, my colleague from Utah, and Senator DURBIN, the manager for this side of the aisle on this legislation. It has been a long journey for them, I know, in committee in trying to deal with this legislation. I am particularly grateful for the courtesies which they have extended to me, and for the various ideas we have had for inclusion in this legislation.

AMENDMENT NO. 3614 TO AMENDMENT NO. 3559

(Purpose: To improve certain bankruptcy procedures relating to dependent children)

Mr. DODD. Mr. President, with that in mind, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. DODD) proposes an amendment numbered 3614 to amendment No. 3559.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . PROTECTION OF SAVINGS EARMARKED FOR THE POSTSECONDARY EDUCATION OF CHILDREN.—Section 541(b) of title 11, United States Code, as amended by section 403 of this Act is amended—

(1) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(2) by inserting after paragraph (6) the following:

''(7) except as otherwise provided under applicable State law, any funds placed in a qualified State tuition program (as described in section 529(b) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief; or

''(8) any funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief.''.

Mr. DODD. Mr. President, this amendment is a third amendment to two others that have been offered and have actually been included in the managers' amendment.

I thank, again, Senator HATCH, Senator DURBIN, Senator GRASSLEY, and others for their consideration.

This amendment, the third, is designed to protect children who through no fault of their own are involved in bankruptcy. It provides legal and legitimate college savings accounts established for the benefit of children which will be beyond the reach of creditors.

This amendment parallels Senator HATCH's provisions to protect retirement savings accounts, and particularly contains measures to prevent fraudulent transfers of assets intended solely to avoid the rightful reach of creditors. So we have written into this the exact same kind of parallel provisions that the seniors' retirement accounts include.

The amendment complements other provisions that are included in the managers' amendment. Those provisions ensure that the lawful funds for the benefit of children—such as child support, disability payments, and foster care payments—would also be preserved for children and not creditors.

Again, that goes back almost 100 years in trying to see to it that innocent children are not going to be harmed and hurt as a result of this process.

In addition, we agreed that household goods exclusively and primarily for children, such as toys, children's furnishings, and items used by parents provided for their children, would also be protected.

Again, it was a consensus. I commend my colleagues for recognizing that these issues are important as well.

Taken together, the provisions of this amendment and the managers' amendment will continue the 95-year-old principle of the bankruptcy code that women and children must be first in bankrupt credit alliances.

I believe that these important improvements in the bill reinforce the historic protections that are given families in bankruptcy proceedings. Those who are innocent and most vulnerable deserve the most protection.

I am very grateful, as I said a moment ago, to the chairman of the full committee and the subcommittee and the ranking member, Senator DURBIN, who has worked hard to ensure these protections for children and families were not weakened in the pending legislation.

In the rush that was going on around here a number of weeks ago, we almost blew by these historic protections which we provide for families. As a result of their leadership, these protections have been included in legislation. I am confident that in conference they will preserve them.

This amendment would strengthen the principle that children ought to come before credit card companies. Legal proceedings, including bankruptcy proceedings, should be designed to protect against the impoverishment of children and innocent adults. Otherwise, impoverishment will produce dependency, in which case no one wins—neither the individual impoverished, nor the credit card company.

I also would like to express for the record my concern that my colleagues in conference firmly support the Senate legislation. I think it is critically important that we hold these provisions.

Again, we all recognize the importance of this legislation. There has been a flood of people taking advantage of the Bankruptcy Act. Too many have been doing that. This legislation is going to tighten that up considerably. But I think as we call for a higher degree of responsibility on the part of our citizenry when it comes to their fiscal and financial responsibility, it is also incumbent that we ask the credit card companies to exercise responsibility as well.

This legislation, I think, strikes a good balance between stopping the incredible amount of people taking advantage of the Bankruptcy Act with little or no repercussions, it would appear, and also seeing to it that the innocents—particularly children—are not going to be adversely affected by this process.

As has been noted by some of our colleagues over the last week or so, as you consider this bill, just last year alone 3 billion credit card solicitations were sent out across this country, many with already preapproved proposals.

I hope that credit card companies will exercise some restraint and responsibility in trying to slow down what is an exploding amount of consumer debt in this country. During good times, no one talks about it much. But when you get a downturn in the economy, it becomes a major problem. There is corporate debt, and consumer debt. We have to try to get a better handle on it.

I am very grateful to the managers of the legislation—I see my colleague from Iowa has arrived on the floor as well as the Senator from Utah—and for their consideration of this amendment.

As I said, it tracks Senator HATCH's very good amendment on seniors' retirement accounts to see to it that education is going to be something that we continue to support as strongly as we have for the 21st century because of rising college costs, to see to it that these educational accounts are going to be for the children that need them. I think it is a very wise decision. Indeed, I am grateful for their support.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I would like to commend my colleague, the distinguished Senator from Connecticut, for his initiative on this particular amendment, as well as his contributions to this legislation as a whole.

We have worked closely on several issues on this bankruptcy legislation, including providing for enhanced protection of domestic and child support payments in bankruptcy. And I have appreciated both his and his staff's dedication, sincerity, and cooperation on this important bankruptcy legislation.

I am sure my colleague, the chairman of the subcommittee, Senator GRASSLEY, feels the same way.

Mr. President, this amendment is well intentioned. I fully support the policy of providing enhanced protections for educational savings accounts in bankruptcy. That is why we have agreed to this amendment. However, Senator DODD is aware that I have some concerns with the amendment as currently drafted, because it may have the unintended consequence of encouraging and rewarding fraud and abuse in bankruptcy.

I thank the Senator from Connecticut for agreeing to work with us on this amendment as this legislation progresses to ensure that it will do just what it is intended to do; that is, protect funds that have been set aside for the education of the child of the debtor.

Some of my specific concerns include the fact that under the amendment as currently drafted the debtor will not have to disclose the existence of these accounts in any way in the bankruptcy case, or the schedules filed with the court because they are deemed ''not the property of the estate.'' The trustees will not even know these accounts exist, and they cannot be audited.

I would like to see these accounts to be created exempt properties of the estate of the bankrupt similar to the treatment we have given pension plans and retirement savings accounts in this legislation.

Moreover, we need to place some limits on these accounts to prevent them from becoming bankruptcy shelters for those seeking to abuse the bankruptcy system as a financial planning tool.

Again, this could be done by placing limits similar to those we have imposed on individual retirement accounts and the way we have done that.

Finally, we need to ensure that the funds protected in such accounts will actually be spent on the education of the bankrupt's child, not simply withdrawn after bankruptcy to be used as the bankruptcy wishes, leaving the future education of the child in jeopardy.

I know that the Senator from Connecticut shares my concerns that this amendment not provide a new means for fraud and abuse.

Again, I thank him and his staff for their willingness to work with us to address these concerns.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, before we accept this amendment—I understand that we will do that, and I prefer that we do—I commend the Senator from Connecticut for his hard work on this issue. I have to say that I think the Senator is on to something here. We ought to encourage parents, obviously, to save for education and to protect these savings in bankruptcies. So philosophically we are all on the same page.

The problem in a situation like this is the devil is in the details, especially when it comes to making changes to the bankruptcy code.

I want to express my concern that the amendment of the Senator from Connecticut could unintentionally open a loophole for abuse. I understand that the Senator from Connecticut is also concerned about this and that he does not want any unintended consequences of his amendment which would allow for more bankruptcy abuse.

Accordingly, I intend to continue working to improve this amendment so that it accomplishes its goal without giving crooks an opportunity to hide and shield their assets during bankruptcy proceedings.

I had similar concerns about the amendment that Senator HATCH offered to protect retirement savings. I think we worked hard and good and accomplished a lot with Senator HATCH to tighten up that amendment.

As a result, the amendment that we passed to protect the retirement accounts is better and less subject to abuse. I am sure that we can improve the amendment by Senator DODD in the same way.

I yield the floor.

Mr. DODD. Mr. President, I ask my colleague to yield for a minute on that point, if I could. Let me again thank him for his courtesies and his staff's courtesies over the last number of days in working this out. He has made a very good point. What we will certainly try to do here—and I agree with him—is to see to it that this amendment, the safeguard aspects of it, conform in many ways—exactly, if it is not the case—with the retirement savings accounts since both are parallel ideas. I have instructed my staff to work with the Senator's staff to iron out those details, to check this out thoroughly. Obviously, I think we all agree this is needed to protect the long-term education needs of families, but obviously—and I want to state it very clearly—it certainly also is our intention to see to it that people are not given an opportunity to avoid their responsibilities when it comes to their financial matters. So we think we can do that pretty effectively.

My intention and that of the Senator from Iowa is to see that it is done before this bill goes to the President for his signature. I thank him again for his support.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. We will yield back the time, if there is any on this side, on this Dodd amendment.

Mr. DODD. I yield back the time.

The PRESIDING OFFICER. Under the previous order, the Dodd amendment No. 3614 is agreed to and the motion to reconsider the vote is laid upon the table.

The amendment (No. 3614) was agreed to.

AMENDMENT NO. 3599 TO AMENDMENT NO. 3559

(Purpose: To express the sense of the Senate regarding misuse of the homestead exemption to the bankruptcy laws)

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin, Mr. KOHL, is recognized to offer an amendment under a time limit of 10 minutes under his control and 5 minutes under the control of the Senator from Iowa.

Mr. KOHL. I thank the Chair.

Today I rise to offer an amendment to reaffirm the Senate's commitment to cap the homestead exemption. The Kohl-Sessions homestead cap is already in the bill, but a sense of the Senate on this issue is important. It sends a message to the House, which does not have a homestead cap in its bill, that this provision is essential to meaningful bankruptcy reform. The $100,000 cap in the homestead exemption is a bipartisan measure I offered with Senator SESSIONS which was endorsed by Senator GRASSLEY and was approved unanimously in subcommittee. It also has the endorsement of the congressionally appointed National Bankruptcy Review Commission.

Our bipartisan measure closes a loophole that allows too many debtors to keep their luxury homes while their legitimate creditors, such as children, ex-spousal alimony, State governments, universities, retailers, and banks, get left out in the cold. Currently, five States—Florida, Texas, Kansas, Iowa, and South Dakota—allow debtors to protect their homes no matter how high their value. And time after time, millionaire debtors take advantage of this loophole by moving to expensive homes in these States, especially Florida and Texas, and then declare bankruptcy, yet continue to live in a style which is not appropriate to their circumstances. Let me give you just a few examples.

A failed Ohio savings and loan owner, who was convicted of securities fraud, wrote off almost $300 million in bankruptcy claims but still held onto the multimillion-dollar ranch that he bought in Florida. A convicted Wall Street financier filed bankruptcy while owing at least $50 million in debts and fines but still kept his $5 million mansion with 11 bedrooms and 21 bathrooms. After his law firm went bankrupt and creditors were already in the process of seizing his two homes in the New York area, former Baseball Commissioner Bowie Kuhn fled to a new $1 million home in Florida although he and his partners were on the line for $100 million. This may not be the most common abuse of the bankruptcy system but it is the most egregious. And given this record, it is not surprising to hear complaints that bankruptcy is no longer used as a tool of last resort and that it has become just another kind of financial planning. If we really want to restore the stigma attached to bankruptcy, these high-profile abuses are the best places to start.

Mr. President, our $100,000 homestead cap will stop these abuses, and unless we keep it in the bill in conference we will not really have bankruptcy reform at all, in my opinion. So I urge my colleagues to support this resolution.

At this point I send my amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KOHL] proposes an amendment numbered 3599 to Amendment No. 3559.

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

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. ___. SENSE OF THE SENATE REGARDING THE HOMESTEAD EXEMPTION.

(a) FINDINGS.—The Senate finds that—

(1) one of the most flagrant abuses of the bankruptcy system involves misuse of the homestead exemption, which allows a debtor to exempt his or her home, up to a certain value, as established by State law, from being sold off to satisfy debts;

(2) while the vast majority of States responsibly cap the exemption at not more than $40,000, 5 States exempt homes regardless of their value;

(3) in the few States with unlimited homestead exemptions, debtors can shield their assets in luxury homes while legitimate creditors get little or nothing;

(4) beneficiaries of the homestead exemption include convicted insider traders and savings and loan criminals, while short-changed creditors include children, spouses, governments, and banks; and

(5) the homestead exemption should be capped at $100,000 to prevent such high-profile abuses.

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

(1) meaningful bankruptcy reform cannot be achieved without capping the homestead exemption; and

(2) bankruptcy reform legislation should include a cap of $100,000 on the homestead exemption to the bankruptcy laws.

Mr. KOHL. I believe that Senator SESSIONS is prepared to come down to the floor to talk on behalf of this amendment, and while he is on his way I suggest the absence of a quorum.

Mr. GRASSLEY. Mr. President, before that happens, could I have the floor, please.

The PRESIDING OFFICER. Will the Senator withhold his request?

Mr. KOHL. I will.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. First of all, before I speak on this amendment, I want to make clear that everybody in this body ought to know that this issue is before us both as part of the bill and now on a motion to instruct because of the hard work of the Senator from Wisconsin. He is to be commended for that because there is abuse in this area and our bill reflects that.

So I say to the other 99 Members of this body—and also it would include people who are helping Senator KOHL on this amendment—Senator KOHL should be recognized as a leader in this area to bring some uniformity to our bankruptcy code among the 50 States to stop a very serious abuse. I have been trying to work with the Senator from Wisconsin, supporting his amendment to cap homesteads since he offered that amendment in the subcommittee markup. In fact, he was the very first Senator to be recognized in our subcommittee when we had the markup of this bill. He was successful there.

In the last Congress, I accepted Senator KOHL's amendment to cap homesteads at $500,000. This principle actually passed the Senate unanimously at the end of the 104th Congress, but the House failed to act on the technical corrections bill to which the homestead matter was attached.

In this Congress, the idea of capping homesteads is a genuine bipartisan one, and I know both the Senator from Wisconsin and the junior Senator from Alabama are strong supporters of the $100,000 cap currently in this bill. But the fact is that the other body has passed a bill which does not have homestead caps. In other words, we have a key difference between House and Senate bills on this point.

Obviously, I support the Senate bill, which I have worked on so hard with Senator DURBIN, but I don't want to go into the conference situation with my hands tied in any way. Some have tried to get me to do this on other provisions in this legislation, and to do so prior to conference. I have resisted all efforts in this area. I am compelled to resist this effort of instructing conferees. However, I am not going to object to this sense of the Senate going into my bill since it restates what is already in the legislation, and I think that restatement is a perfectly legitimate thing for us to do this way. And so from that standpoint, I compliment Senator KOHL for his continued hard work and his efforts.

I yield the floor.

Mr. KOHL. I yield to Senator DURBIN.

Mr. DURBIN. I thank the Chair.

I thank the Senator from Wisconsin and I rise in strong support of his resolution.

Let's understand what we are talking about. We decided long ago that if a person filed bankruptcy, we would allow them to protect certain things that we considered essential, and one of those things was a home. Now, of course, that is understandable; 50 percent of the people filing for bankruptcy are homeowners; but we left it to the States to come up with the amount of money that your home could be worth, and you could exempt it.

As a consequence, with 50 different States, we have basically 50 different approaches. Some of these approaches, unfortunately, have led to abuse. The Senator from Wisconsin described two or three cases where people literally owed millions of dollars and quickly raced out to buy a multimillion-dollar home to put everything they could into it and to basically guard it away from any creditor in bankruptcy. I do not think that is what we had in mind when we put the homestead exemption in place. It was a legitimate effort to protect someone's home.

I see the Senator from Alabama has taken the floor. I congratulate him, Senator SESSIONS, as well as Senator KOHL for their leadership here.

Let me tell you why I think this is important. The idea behind this bill was to stop the abuses in bankruptcy. Professor Elizabeth Warren of Harvard Law School, whom I have really come to respect for her knowledge of this subject, calls the disparity among State homestead exemptions ''the biggest single scandal in the consumer bankruptcy system.''

To think, in the instance of a doctor in Miami who refused to carry malpractice insurance, who was sued by four different people, one of them a person who lost a leg, and then when they went to collect against the doctor personally, because he had no insurance, he basically hid behind the homestead exemption and said, ''Everything I own is in my home and you cannot touch it''—that really is an abuse of the system. I am glad Senator SESSIONS and Senator KOHL have shown leadership on this and I am happy to support their efforts.

Mr. KOHL. Does Senator SESSIONS wish to speak?

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I thank Senator KOHL and Senator DURBIN for their leadership and commitment on this issue and others. This is simply a matter of fairness. The Constitution of the United States authorizes the bankruptcy system and provides for Congress to establish uniform bankruptcy laws. That is a matter that is without dispute. All bankruptcy cases are held in Federal court. It is not too much to ask, since we set every other rule involving bankruptcy, that this body would consider the abuses that arise from the disparity in treatment of homesteads throughout the country. It is really a shocking matter.

The New York Times has written about this on a number of occasions and has given some of the examples that are afoot.

The First American Bank and Trust Company in Lake Worth, FL, closed in 1989, and its chief executive, Roy Talmo, filed for personal bankruptcy in 1993. Despite owing $6.8 million, Mr. Talmo was able to exempt a bounty of assets. During the proceedings, he drove around Miami in a Rolls-Royce and tended the grounds of his $800,000 tree farm in Boynton Beach. Never one to slum it, Mr. Talmo had a 7,000 square-foot mansion with five fireplaces, 16th century European doors and a Spanish-style courtyard, all on a 30-acre lot. Yet in Mr. Talmo's estimation, this was chintzy. He also owned an adjacent 112 acres and he tried to add those acres to his homestead.

The court finally refused to allow this 112 acres, but he was able to keep his homestead, live in this huge house, and keep all this money that ought to have been shared with his creditors. Bankruptcy is to help people start over again. It is not to help them defeat their creditors and remain millionaires.

There is example after example in this New York Times article. Talmadge Wayne Tinsley maintained his house during bankruptcy and then he sold his house for $3.5 million, using the proceeds to write a check to the Internal Revenue Service and another one to pay off the mortgage. That left him $700,000 after closing costs and other expenses were deducted from the proceeds.

In other words, if you have a multimillion-dollar mansion and go into bankruptcy, you put all your money—except what is in your house—into the bankruptcy pot that trickles out to the people to whom you owe money. You keep the house. As soon as your bankruptcy is over, you can turn around and sell this multimillion-dollar house and live like a king. That is why people are moving to Florida and Texas on the eve of filing bankruptcy.

I live in Alabama. We have a very low homestead exemption, but it is only 50 miles from my home of Mobile to Pensacola, FL. Somebody from Mobile could easily move to Pensacola, buy a huge beach home, and then defraud his Alabama creditors.

Some think this is a State matter. Senator KOHL talked about this. They say it is an advantage to the State. But the truth is, 90 percent of the people who abuse this system on the homestead—90 percent of their debts are going to be debts in their own State. So really it is a situation in which we have some Senators who are supposedly protecting State interests, but really they are not. I encourage these Senators to think about it. They are not protecting State interests because what this does is allow a scandal to take place. The people who most frequent lose in this process will be the lenders in their own States. That is just not fair. I believe the Bankruptcy Commission has listed this as one of their top priorities for reform.

I can see how some Senators may not really be familiar with the bankruptcy process and might think they want to preserve their State systems. But bankruptcy is a classical Federal matter. It is set forth in the Constitution as a Federal matter. All bankruptcy cases are handled in Federal court, not State courts, and the bankruptcy court sets all the rules in almost every category. This is just one that we have, by tradition, allowed to be nonuniform. As a matter of fact, it has been challenged in the Supreme Court, on the basis that the nonuniformity violates the Constitution.

The PRESIDING OFFICER (Mr. BROWNBACK). The time of the Senator has expired.

Mr. SESSIONS. Mr. President, I thank Senator KOHL for his leadership.

Mr. KOHL. Mr. President, I end by suggesting this is a very important piece of legislation. I am concerned, if we do not have it in the final piece of legislation, that the administration will veto the Bankruptcy Reform Act. So I stress, we need to see to it that the conference report contains this homestead cap of $100,000.

The PRESIDING OFFICER. The Senator from Iowa has 1 minute 30 seconds.

Mr. GRASSLEY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. Under the previous order, the KOHL amendment, No. 3599, is agreed to. The motion to reconsider the vote is laid upon the table.

The amendment (No. 3599) was agreed to.

AMENDMENT NO. 3615 TO AMENDMENT NO. 3559

(Purpose: To provide for a study and report by the Board of Governors of the Federal Reserve System regarding credit industry practices)

The PRESIDING OFFICER. The hour of 10 a.m. having arrived, under the previous order, the Senator from California, Mrs. FEINSTEIN, is recognized to speak for up to 10 minutes.

Mrs. FEINSTEIN. Mr. President, on behalf of Senator DURBIN, Senator JEFFORDS, and myself, I send an amendment to the desk.

The PRESIDING OFFICER. Is there objection to considering this amendment at this time?

Mr. GRASSLEY. Mr. President, reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN], for herself, Mr. DURBIN and Mr. JEFFORDS, proposes an amendment numbered 3615 to amendment no. 3559.

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

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

The amendment is as follows:

At the appropriate place in title VII, insert the following:

SEC. . ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the ''Board'') shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 24 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the credit industry's indiscriminate solicitation and extension of credit;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

Mrs. FEINSTEIN. Mr. President, I support S. 1301, and intend to vote for its passage. It gives bankruptcy judges the tools they need to require that capable debtors take responsibility for their debts. Furthermore, it does so in a manner that empowers bankruptcy judges to seek solutions to consumer insolvency, rather than straitjacketing them with a strict formula. Finally, S. 1301 contains strengthened provisions to protect the priority of child support and spousal support, which I supported in the Judiciary Committee.

Responsibility cannot be a one-way street, however. The blame for the current record number of consumer bankruptcies lies not only with unsound consumer spending habits, but often with unwise and irresponsible lending practices that facilitate and even foster such recklessness. This amendment aims to deter such recklessness in credit practices.

It authorizes the Federal Reserve Board to conduct a study of industry practices of soliciting and extending credit indiscriminately, without taking steps to ensure that consumers are capable of repaying their debt, or in a manner that encourages consumers to accumulate additional debt. The Federal Reserve Board is further authorized to study the effects of such practices on consumer debt and insolvency.

Within two years of enactment, the Federal Reserve Board will make public a report on its findings, regarding the credit industry's indiscriminate solicitation and extension of credit.

The amendment allows the Federal Reserve Board to issue regulations that would require additional disclosures to consumers, and to take any other actions, consistent with its statutory authority, that the board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

This amendment directly addresses one of the major causes of personal bankruptcies: bad consumer debt.

It's a simple matter of arithmetic. The typical family filing bankruptcy in 1997 owed more than one-and-a-half times its annual income in short-term, high interest debt. This means that the average family in bankruptcy, with a median income of just over $17,500, had $26,500 in credit card and other short-term, high interest debt.

Studies by the Congressional Budget Office, the FDIC, and independent economists all link the rise in personal bankruptcies directly to the rise in consumer debt.

Last year, the credit card industry sent out a record 3.1 billion unsolicited offers. That's 30 solicitations to every household in America. The number of solicitations jumped 20% last year alone. Based on industry estimates, between 1992 and 1996, credit card companies offered about a million dollars of credit to every household in the United States.

There are well over a billion cards in circulation—a dozen credit cards for every household in the country. Three-quarters of all households have a least one credit card, and three out of four of them also carry credit card debt from month to month.

Not surprisingly, credit card debt has increased accordingly. Credit card debt doubled between 1993 and 1997: The amount of credit card debt outstanding at the end of 1997 was $422 billion, twice as much as the amount in 1993.

Credit card usage has grown fastest in recent years among debtors with the lowest incomes. Since the early 1990's, Americans with incomes below the poverty level nearly doubled their credit card usage, and those in the $10,000–25,000 income bracket came in a close second in the rise in debt. The result is not surprising: 27% of the under-$10,000 families have consumer debt that is more than 40% of their income. Nearly one in ten has at least one debt that is more than sixty days past due. These are the families for whom real income has actually declined since 1989.

Credit card issuers earn about 75% of their revenues from the interest paid by borrowers who do not pay in full each month. Several companies have instituted charges or even canceled credit cards for customers who pay in full each month, preferring customers with large credit balances who pay minimum monthly payments.

As bankruptcy levels have risen, total credit card profitability has grown—credit card lending is now twice as profitable as all other lending activities. In the third quarter of 1997, credit card banks showed a 2.59% return on assets, compared to a 1.22% return on assets reported by all commercial banks.

This amendment most likely would not affect the vast majority of the credit card industry, who responsibly check consumer credit history before issuing or ''pre-approving'' credit cards. Representatives of large credit card issuers such as Bank of America have assured me and my staff that they do not provide credit cards to consumers without a thorough credit history check.

However, I should note that every credit card issuer that I and my staff spoke with said that one thing they do not check is income. In other words, credit card issuers have no idea whether persons to whom they issue credit cards have the means to pay their bills each month.

Furthermore, major credit cards such as Visa and Mastercard do not require banks who issue their cards to check credit history.

This bill would affect lenders who fail to even inquire into a consumer's ability to pay, or those who specifically target consumers who can't or won't repay balances.

A growing segment of the credit industry known as ''sub-prime'' lenders increasingly searches for risky borrowers, who they know will make inappropriately low minimum monthly payments, carry large monthly balances from month to month, and pay high interest rates. Such lending has become the fastest growing, most-profitable subset of consumer lending. Although losses are substantial, interest rates of 18 to 40% on credit card debt make this lending profitable.

Many of these often relatively unsophisticated borrowers don't realize that minimum monthly payments just put them deeper in a hole, which in many cases leads to bankruptcy. For example, industry analysts estimate that, using a typical minimum monthly payment rate on a credit card, in order to pay off a $2,500 balance—assuming the consumer never used the card to charge anything else ever again—it would take 34 years to pay off the balance, and total payments would exceed 300% of the original principal.

The FDIC observes that by marketing high-risk debt to customers who are at substantial risk for non-payment, credit card issuers have contributed to the rise in consumer bankruptcies.

On May 2, 1997, the FDIC issued warnings to banks about the risks posed by increased subprime lending. Some industry analysts predict that overall loan default rates will double by the year 2001 and thus warn that ''by lowering their credit standards and saturating the market with loans, many banks will be unable to avoid potentially enormous delinquencies and write-offs.''

Subprime lending is growing even among reputable lenders. Senator LAUCH FAIRCLOTH, who notes that he ''abhors . . . constraints on the private sector,'' recently stated about the subprime market: ''We have very reputable, very fine institutions, spinning off subsidiaries to get into what I would consider very precarious, reckless, bordering on sleazebag lending.''

Since the Senate Judiciary Committee considered this bill in June, I have received examples from constituents of credit card companies who offer credit

cards to persons who are wholly unable to afford them. I have also had my staff review solicitations they have received.

I want to give you some examples of the sort of inappropriate credit card solicitations my constituents and my staff have received.

A constituent from San Ramon, CA, wrote that her 7-year old son received a ''charter membership offer'' for a Visa Signature Card. The constituent writes:

If banks are offering bankcards to small children, who else (or what else) are they offering them to. This kind of unsolicited mail is ridiculous.

This is not an isolated occurrence. Both sons of a staff member who works in my San Francisco office received credit card offers—and they're 12 and 15 years old. The 12-year-old is an eighth grader, with no income other than a $25 a month allowance and gifts from his grandmother and holiday and birthday gifts. He is a Star Trek fan, and he was offered a ''Star Trek Platinum Plus MasterCard,'' with up to $100,000 in credit. The card features discounts on Star Trek merchandise and entertainment events. The solicitation noted an introductory 3.9 percent annual percentage rate in large, bold print. The small print on the back explains that the rate applies only to initial balance transfers and cash advance checks. The actual annual percentage rate is 14.99 percent.

The 12-year-old's 15-year-old brother was also offered a credit line of up to $100,000 on the ''First USA Platinum MasterCard for Science Fiction Enthusiasts.'' This card offered a free space pen and a 9.99 percent ''fixed'' annual percentage rate. The small print explained that if payment is received ''late'' twice in any 6-month period, the annual percentage rate balloons to 19.99 percent. If payment is not received for 2 consecutive months, the rate balloons further to 22.99 percent.

It's not just children. A constituent from Lakewood, CA, wrote to me last month:

I am sending to you [a solicitation] which I received in the mail yesterday. It was addressed to my mother and was offering her a platinum credit card with a $100,000 credit line. What's wrong with this? My mother's been dead for seven years!

The constituent continues:

What really bugs me about this is that credit card companies send out these solicitations for their plastic cards and then when they get burned, they start crying foul. They want all kinds of laws passed to protect them from taking hits when it's their own practices that caused the problem.

A 22-year-old constituent from Pacifica, CA, who makes $25,000 a year, was offered 3 platinum cards with a credit limit of up to $100,000 on each card. Two of the cards advertised in large, bold print, ''introductory'' annual percentage rates of 3.9 percent for cash advance checks and balance transfers. The fine print on both cards disclosed the actual annual percentage rates on purchases of 14.99 percent. The other card offered free mileage on US Airways. The fine print disclosed its annual percentage rate as 18.4 percent; 21.9 percent if the account is in default.

Another constituent, also from Pacifica, CA, who is unemployed, was offered a platinum card with an up to $50,000 credit line. As with a number of these offers, the solicitation boldly advertised an ''introductory'' annual percentage rate of 3.9 percent for cash advance checks and balance transfers, but the fine print on both cards disclosed the actual annual percentage rate on purchases of 14.99 percent. The other card offered free mileage on US Airways.

Besides low introductory interest rates, which inevitably balloon, and frequent flier miles, the range of gifts offered to induce people to take on new credit cards is incredible. In the past couple of months that I have been asking my staff to save solicitations, ''free'' gifts offered to them—and to me—to take on new credit cards, have included everything from: free telephone calling cards, to transistor radios, attaché cases, Godiva chocolates, Waterford crystal, and electronic organizers.

And the credit card companies are anything if not persistent. Over the past couple months, one of my staff members has received 4 offers for second mortgages, totaling $75,000 in credit, one of which was sent twice; $230,000 in credit, with free gifts as incentives; and a ''college alumni'' card, offering a ''third opportunity'' to apply.

These sort of come-on's, targeting people who oftentimes are simply incapable of affording the credit card, are by no means unique to Californians.

Bankruptcy Judge John Akard of the Northern District of Texas wrote that the attorneys for one couple who filed Chapter 13 bankruptcy asked them to record solicitations received after filing for bankruptcy. The received over 50 solicitations over the next 24 months, offering cumulatively over $2 million in credit; 25 of these were ''preapproved.''

Consumer bankruptcy attorneys tell my staff that some companies send credit cards to bankruptcy filers courtesy of their bankruptcy attorneys.

In fact, a staff member informed me that when he did pro bono work for indigent people filing bankruptcy, the pro bono attorneys had to constantly tell the bankruptcy filers not to take on new credit cards, which credit card companies targeted to them, knowing that they could not disavow their debt for a period of six years following bankruptcy.

In many cases, credit cards offered to consumers who have no ability to repay them and no reason having them is a direct cause of personal bankruptcy. The U.S. Bankruptcy Trustee for the Southern District of California provided my office with some examples, taken directly from the rolls of recent bankruptcy filers in San Diego: One bankruptcy filer had $41,989 in debt, run up on 25 retail and credit cards—but only $17,520 in yearly income; another bankruptcy filer, had $23,826 in debt, run up on 6 credit cards and 7 retail cards—and only $4,320 in yearly income; still another bankruptcy filer had $28,054 in debt, run up on 6 credit cards and 9 retail cards, but only $11,520 in yearly income; and in the most egregious case, one filer had $97,372 in debt, run up on a total of 26 cards—13 credit cards and 13 retail cards—and had no yearly income. Another filer had over $50,000 in debt run up on 7 credit cards—and no yearly income.

Similarly, the United States Trustee for the Northern District of California provided my office with a case study of some of the recent bankruptcy cases filed in San Francisco; a ''naturopath'' with an annual income of $8,100, accumulated $44,690 in credit card debt, on 13 credit cards before declaring bankruptcy; a truck driver with $22,368 in annual income, accumulated $102,645 in credit card debt on 14 credit cards before declaring bankruptcy; an unemployed person with no annual income, accumulated $50,927 in debt on 14 different credit cards before declaring bankruptcy; and the list goes on.

U.S. bankruptcy trustees have also provided my office with letter after letter, originally sent by U.S. bankruptcy panel trustees to creditors, alleging ''bad faith'' on behalf of consumers, because the debtor accumulated credit card debts they could have had no realistic expectation of repaying. For example, one letter notes that the debtor accumulated over $110,635 in credit card debt, but had $500 in monthly income, and had incurred a net loss in income in 1996 and 1997.

If the consumer acted in bad faith, one wonders about the faith of the credit card companies that issued the credit cards in the first place and allowed the consumer to continue to accumulate debt.

Obviously, in each of these cases, banks kept on issuing credit cards, and kept on allowing consumers to rack up still more debt on the cards, despite clear evidence that the consumer would never be able to repay the debt.

During the debate on this bill, we have heard much about the financial burden that consumer bankruptcies levy on each of us as consumers. Clearly, part of the responsibility for that financial burden rests with the credit card companies and retailers who irresponsibly continue to issue credit in such cases. Indeed, industry consultants have estimated that credit card companies could cut their bankruptcy losses by more than 50% if they would institute minimal credit screening.

As I mentioned at the outset, I support S. 1301, which gives bankruptcy judges effective tools to require responsible behavior from debtors once bankruptcies occur. This amendment is necessary to promote the responsible behavior needed to prevent such bankruptcies from occurring in the first

place, by preventing the runaway consumer debt that is one of the principal causes of the rise in personal bankruptcies.

I urge my colleagues to vote for the adoption of this amendment.

I end my comments with one statement: Responsibility is a two-way street. And what is sauce for the gander is also sauce for the credit card company.

Mr. President, it is my understanding that the amendment has been accepted by both sides.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, this amendment will be accepted. And I would like to say, after listening to Senator FEINSTEIN's statement, as well as studying the legislation in great detail, we can enthusiastically back this and fight for its retention in conference as well. I was not that certain when I visited with the Senator privately, but I would like to state publicly that we think she has a very good idea here and that we can work to keep it in conference. I cannot guarantee anything, but at least I feel very strongly about it.

It kind of backs up some of the things that we have done on disclosure in the managers' amendment as well. Those things will probably be much more controversial in conference than what the Senator from California is trying to do. She, from my standpoint, through the year that we have worked on this legislation, and being prodded also by the Senator from Illinois about the problems that we have or the potential problems we have with credit card companies, and they not being too careful in their anticipation of who they take on to give credit to, does back up the study that the Senator from California has called for.

She does not give new statutory authority to the Federal Reserve. She does give the Federal Reserve authority, after the study, if the Federal Reserve wants to do it, to issue regulations that would require additional disclosure to consumers, then, within their existing statutory authority, if the board finds necessary, ''to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.''

This is all based upon a study which we believe, based upon our year's consideration of this legislation, probably is a very worthwhile thing for us to have and to promote. So with those ideas in mind, we accept the amendment and congratulate the Senator from California. Most importantly, we thank her for her cooperative attitude toward our resolving a lot of differences we have had with her original legislation.

Mrs. FEINSTEIN. I thank the Senator.

The PRESIDING OFFICER. Is there any further debate on Feinstein amendment No. 3615?

Hearing none, the question is on agreeing to the amendment No. 3615.

The amendment (No. 3615) was agreed to.

Mr. GRASSLEY. I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRASSLEY. I suggest the absence of a quorum.

The legislative clerk proceeded to call the roll.

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

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

Mr. BROWNBACK. Mr. President, I rise to make a few remarks on the Consumer Bankruptcy Reform Act, which is the pending business at this point in time.

I commend the hard work of Senator GRASSLEY and the Senate Judiciary Committee for crafting this much-needed reform of our bankruptcy laws. Bankruptcy filings rose to almost 1.4 million last year. That is up from 172,000 in just 1978—enormous growth in bankruptcy filings. More than 70 percent of those who filed for bankruptcy last year did so under chapter 7 of the U.S. bankruptcy code, which erases most debt incurred.

The cost of these bankruptcies to the U.S. economy last year has been estimated at more than $44 billion—enormous cost. And these losses are passed on to consumers, costing every household that pays its bills $400 in hidden taxes. That is not fair to the millions of families who pay their bills—mortgages, car loans, student loans, and credit card tabs—every month.

This legislation goes a long way in addressing the fraud and abuse of our bankruptcy system while ensuring that people who are in considerable economic pain will be protected.

However, I am extremely concerned about a provision in this bill which places a cap on the homestead exemption. My State of Kansas has a homestead law in our State constitution dating back to 1859. Many farmers have used this law during times of economic hardship to protect their farms, their homes and their 160 acres. While the Consumer Bankruptcy Reform Act exempts family farmers from the homestead provision, many small farmers would not qualify under the bankruptcy code as a family farm because they or their spouse earn off-farm taxable income.

I might note for my fellow Members that over half of the people involved in agriculture today in my State and in many States across the country have considerable off-farm income from either themselves or their spouses and yet are full-time involved in agriculture. They have the outside income for various numbers of reasons, but this provision will not allow them to qualify for that agricultural exemption, the family farm exemption, if it remains as we have it in this particular act.

Many farming States have similar homestead laws dating back frequently to the time of statehood and of the settling of many places in the Midwest, where people could keep their home and 160 acres if they would just settle this land for a period of 5 years. That is the basis of this homestead law. This provision that is in the bankruptcy code and the changes that we have before us today could have a significant impact on farmers who are already faced with cash flow problems caused by low commodity prices.

This bill also does not take into consideration the vastly different property values in various States that will be affected by this particular homestead provision.

While I believe we should prevent fraud and abuse of our bankruptcy system, preempting State homestead laws and imposing a one-size-fits-all approach is not the answer. I hope that my colleagues will consider this as we look forward in dealing with this provision and working together with the House to get a fine Consumer Bankruptcy Reform Act put together. We should not penalize, we should not usurp, the States that have put forward a particular homestead exemption.

With that, Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. 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. DORGAN. Mr. President, I understand debate on the Harkin amendment was to begin at 11 a.m.?

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. I ask unanimous consent that the full 45 minutes allowed for debate on the Harkin amendment begin now.

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

Mr. DORGAN. Mr. President, Senator HARKIN is on his way. He spoke briefly on this amendment yesterday afternoon, and I would like to make a couple comments on it. This amendment is very simple. It is an amendment that expresses the sense of Congress that the Federal Reserve Board, through the Federal Open Market Committee, should reduce its Federal funds rate. The Federal Reserve Board will meet soon and consider once again what it wishes to do with monetary policy, and especially with short-term interest rates.

I would like to show a couple of charts just to describe where we are at this point with the American economy.

''Consumer Price Index.'' As we know, the Federal Reserve Board has

been chasing inflation now for, oh, 4 years or so. Every quarter they have another discussion and wring their hands and gnash their teeth and fret and worry and sweat about what is happening to inflation and when the next wave of inflation is going to hit. Of course, inflation has gone down, down, way down.

The Federal Reserve Board told us, by the way, at the start of this, that the inflation rate would jump up almost certainly if the unemployment rate went below 6 percent. Of course, the unemployment rate has been below 6 percent for over 4 years and the inflation rate keeps coming down. The Federal Reserve Board was dead wrong on that issue.

But the Federal Reserve Board sits in that house of theirs on a hill impenetrable by the American public, closes its doors, makes its decisions in secret about interest rates. Only, and then tells us after the decisions are made what the interest rates in this country will be.

The Federal funds rate set by the Federal Reserve's Open Market Committee is much higher than it ought to be. Prior to Mr. Greenspan becoming Chairman of the Federal Reserve Board, from 1950 to 1987, the average real Federal funds rate was 1.8 percent; for 37 years on average. The real Federal funds rate, the economic rent for money, adjusted for inflation, that was set by the Federal Reserve Board, was 1.8 percent. Today that short-term interest rate, after inflation, is 3.9 percent—the highest level since just before the last recession in 1990.

One must ask the question, Why, why are the American people in effect being taxed with higher interest rates? Why is the Federal Reserve Board punishing the American people with interest rates that are higher than they should be? The answer: Because they have served their constituent interests, which are the large money center banks; they want the higher interest rates. But that moves against the interests of the American people, of the people who produce and work and borrow.

I have brought to the floor from time to time pictures of the Federal Reserve Board of Governors and the presidents of the regional Fed banks, and the reason I have done that is because they control monetary policy and nobody knows who they are. So I thought we should probably have pictures of all of them, when they were appointed, where they were educated, what their background is, and how much money they make. And so here, once again, is a picture of the Federal Reserve Board of Governors and the regional Fed bank presidents. On a rotating basis, these regional Fed bank presidents join the board of governors, they go into a room, shut the door, and in secret determine what our interest rates are going to be in this country. Here is who they are. You could put them all in a barrel, shake it up, roll it downhill, and you would always have somebody with a gray suit on top. They are economists. They all come from the same background. They all pretty much look the same, and they all pretty much think the same. There is not a person among them who represents somebody who manufactures something or fixes something or sells something, but that is the way the Fed is.

When I was a kid in a town of 300 people in southwestern North Dakota, we had a circus come to town. That circus—it was a very small circus because you do not get a big top in a town of 300 people—but that circus had an elephant. It was the first elephant I had ever seen, and the first elephant, I think, that had ever come to my hometown. The thing that interested me as a little boy is that that big old elephant would stand out there by the tent and he had a steel cuff around his foot and a chain of about 6 or 8 feet attached to a stake that was pounded into the ground. I thought to myself, how on Earth can that little stake hold that big elephant? How can that work?

Then I was told later, when I grew up, about that elephant and that chain and that stake. They say that when they capture wild elephants in Thailand, they get a wild elephant and they put a big metal cuff around the elephant's leg, put a chain on that cuff, and then they tie the other end of that chain to a big banyan tree. And for 6 days, 10 days, 12 days, maybe 2 weeks that elephant will pull and struggle and grunt and groan and try to pull that chain away from that big banyan tree. Of course the banyan tree doesn't budge an inch. After a certain period of time, the elephant understands that the elephant cannot move. Then they take the chain off the banyan tree and just put a stake in the ground and the elephant stands there with a cuff around his leg and a chain and a small stake. The elephant is chained to his habit. His habit is he knows he cannot move.

I was thinking about that the other day and I was thinking about the Federal Reserve Board. What a wonderful analogy, chained to his habit. You talk about a board chained to their habits, the Federal Reserve Board has been, for 4 or 5 years—despite all the evidence to the contrary in this country that the global economy is putting downward pressure on wages, that there are no new fires of inflation out there in the country, that the inflation rate is coming down even as the unemployment rate has come down. These gray-suited folks, chained to their old habits, have continued to insist, no, they must keep interest rates higher than they ought to be because they are worried about some future specter of inflation despite the fact that inflation is running in the opposite direction.

What does that mean? What does it mean when these folks lock their doors and in secret say, ''We are going to keep interest rates higher than what it ought to be''? What it means is everybody who owns a house, everybody who is paying off a credit card, anybody who has any debt at all of any type is paying higher interest rates than they ought to pay. In a number of cases it means some homeowners might be paying $100 or $200 a month more in interest than they ought to pay. Somebody is just taking it out of their pocket. In effect, they have taxed them—to the detriment of the individual, to the reward of the lender. That is why I asked the question earlier: Whose interest does this Fed serve?

Some say its constituent's interest is that of the big money center banks. It looks that way. How else would they justify interest rates that are more than 2 full percentage points above the real rate of inflation, when in fact for nearly 40 years prior to Mr. Greenspan joining the Federal Reserve Board the real interest rates above inflation set by the Board were 1.8 percent? How else would you justify that kind of massive overcharge of the American people through higher interest rates?

The Federal funds rate is not charged to everybody. It happens to set the fee, set the charge. The prime rate comes off the Federal funds rate. Other rates come off the prime rate. The fact is, when the Federal Reserve Board decides in secret to set interest rates that are higher than they ought to be, then everybody else ends up paying more than they should pay. And who benefits? The big money center banks.

It is interesting, these folks who will be in that room making the decision when the door is closed—the last dinosaur in America that makes decisions in secret, the last dinosaur that exists in our Government—when they go into a room and close that door and make decisions in secret, they will be representing—who? Who hired them? Their boards of directors. Who hires the regional Fed bank president? The regional board of directors. And who is that? The regional bankers. Whose interests are they going to look after in that room when the door is locked? They are not accountable. Their names did not come here for the Senate to say, yes, we would like to sanction you to go into a room and make decisions about monetary policy. They are not accountable to anybody. They were not confirmed by anybody. They are not accountable. Yet they go into a room with a locked door and make a secret decision with others and tell the American people what they are going to pay in interest rates.

We have people come here and talk about taxes forever—that is a tax. A higher interest rate than ought to be paid is a tax; it is a big tax on almost all working families in this country. So who are these people going to represent? Are they going to be sent to the Open Market Committee to make decisions that contradict the interests of their boards of directors? I don't think so. Would it be logical to assume that

they would come to this decision-making point representing the interests of those who gave them their jobs? I think so.

The amendment to be offered by Senator HARKIN and myself and a couple of others is an amendment that asks the Congress to express itself to the Federal Reserve Board. I know we have people who say, ''Oh Lord, the last thing Congress ought to be involved in is monetary policy.'' Why should we not be involved in making our views known to the Federal Reserve Board? Anybody who comes out here opposing this, I would like to ask them this: If for 40 years the real economic rent for money set by the Fed through Federal funds rate is 1.8 percent, if that is the rate for 40 years, how do you justify having a rate that is nearly 2 points higher, on average during the Greenspan years? How do you justify it? Do you think it is fine? If so, how do you justify taxing your constituents with the higher interest rate because the Fed decides it is going to represent their interests, not ours?

I am not here arguing for easy money, easy credit. I am here arguing for fairness. I am here asking the Federal Reserve Board to represent the entire public interest here, not just their interest.

Our economy, from most recent evidence, looks to be slowing down some. Our economy faces a number of international threats. We have an Asian economy that is in shreds—Korea, Japan, China, Indonesia. The difficulty in the Asian economy, a very significant difficulty, is beginning to be felt in this economy. It seems to me, when we have a Federal Reserve Board that imposes higher interest rates than are justified, much higher interest rates than we have historically had with respect to real economic rent for money, it seems to me when they do that at a time when we begin to face what appears to be some significant difficulty from external economic forces, the Fed ought to take a look at doing what it should have done long ago, and that is reduce real short-term interest rates to where they ought to be.

I know this discussion causes a lot of people just to fog out and glaze over and go to sleep because, frankly, it is in the interests of those who make monetary policy to keep the monetary policy questions outside of the purview of public discussion. A century ago you could go to a barber shop or a bar in this country and get into an aggressive, interesting, lively discussion about interest rates. All over the country they talked about interest rates. Mr. President, 35 years ago there was going to be a one-quarter percent increase in the Federal funds rate. And the fellow who was heading the Federal Reserve Board was thinking about the one-quarter of 1 percent increase. There were front page headlines all across the country. Lyndon Johnson invited this fellow, the head of the Federal Reserve Board, McChesney Martin, invited him down to the ranch at Perdinales, in Texas, and they say almost squeezed the barbecue sauce out of that guy, he was so upset the Federal Reserve was going to increase interest rates by one-quarter of 1 percent.

Interest rates used to be part of substantial discussion and lively interest in this country, but we now have a Federal Reserve Board, as I said, that is the last dinosaur. It wants to keep monetary policy outside the purview of normal public debate. It wants to do what it wants to do in a locked room behind a closed door, and decide to keep interest rates about 2 full percentage points above where they ought to be given the real rate of inflation in this country today.

The Senator from Iowa will offer an amendment. The sense of the Congress at the end is very simple. It is one short sentence:

> It is the sense of the Congress that the Federal Open Market Committee should promptly reduce the Federal funds rate.

It is very simple. That is preceded by a series of pieces of information that make the case.

Let me finish, Mr. President. I know Senator HARKIN is on his way. I know Senator DOMENICI is also scheduled to speak. We have a vacancy on the Federal Reserve Board. There is one seat vacant. The Federal Reserve Board of Governors has seven people, all appointed by the President, confirmed by the Congress. The confirmation process requires there be accountability, so that is what we have, a Presidential appointment with confirmation.

That is not the case with regional Federal bank presidents. They serve on the Open Market Committee and make decisions, but they are not confirmed by anybody.

We have one vacancy. I have come to the floor to say I would like my Uncle Joe to be considered. My Uncle Joe is retired. My Uncle Joe used to fix generators and alternators in his shop behind his house. He is pretty good with his hands. He knows how to fix things. My theory is, there is nobody on the Fed who has ever fixed anything or ever manufactured anything or ever been in a part of the business where one is actually involved in a consumptive use of credit to make a business work.

For a couple of centuries, we had tensions in this country between those who produced and those who financed production, and in some decades those who produced have had an upper hand, and in some decades those who financed production have had an upper hand. With the help of the Federal Reserve Board, in most recent years those who finance production have had the upper hand. That ought not be the case.

There is a clear and compelling case, made by Senator HARKIN yesterday, and I hope by myself, that the current Federal funds rate established by the Federal Reserve Board responds to a threat that does not exist and, as a result, keeps interest rates substantially higher than they should be on a real basis. As a result of that, the Federal Reserve overtaxes every American family that pays a higher cost for credit than can now be justified.

The Congress has every right to send a message to the Federal Reserve Board that: ''When next you meet and close that door and begin deciding in secret the fate of this country's monetary policy and interest rates, we encourage you, given all the evidence, to decide to reduce interest rates.''

Mr. President, I notice Senator HARKIN has not yet arrived on the floor. Let me go down the findings briefly while we are awaiting Senator HARKIN to come to the floor.

While interest rates, we hear on the news, continue to decline, long-term mortgage rates, and so on, the inflation rate, of course, is way, way, way down. The question is the real interest rates, the economic rent for money. And also the question is, What is happening to our economy? Is it slowing down? And if so, would paying higher interest rates, as imposed by the Federal funds rate, be beneficial to this economy?

Real interest rates are at historically high levels, the highest in 9 years—real interest rates. The Federal funds rate is 5.5 percent. It has been there since March of 1997, despite an inflation rate of 1.7 percent. Between 1992 and 1994, the Federal funds rate averaged 3.6 percent, while inflation was at 2.8 percent.

The Chairman of the Federal Reserve Board, Mr. Greenspan, said during his testimony before the House Banking and Financial Services Committee on February 24 of this year:

> Statistically, it is a fact that real interest rates are higher now than they have been on the average of post-World War II periods.

Actually, real interest rates are higher now than they have been prior to Mr. Greenspan becoming Chairman of the Fed. Inflation over the last 2 years, preceding the date of enactment of this act, was at its lowest level since the 1960s. Corporate earnings are down 1.3 percent from a year earlier, and, as I mentioned, farm debt is at its highest level since 1985. Broad commodity price indexes are extremely low. There are signs of global depression or at least severe recession and the potential of depression in parts of the economies of Asia, and there are signs that that will negatively impact this country through fewer purchases of U.S. exports and through a greater influx of cheap imports to the United States.

We, as a result of this resolution, want to put the Senate on record as saying to the Federal Reserve Board: ''You ought to do what the evidence requires you to do; you ought to do what the American people know you should do; you ought to do what most good economists would advise you do now, even though you have not done it for sometime now; you ought to reduce the Federal funds rate to a level that is

fair and fairly reflects the economic rent for money relative to the real rate of inflation.''

The Federal Reserve Board has kept the Federal funds rate artificially high because it has worried about inflation. As I indicated in the chart, the rate of inflation has come down, down, way down, even as unemployment has come down. The Federal Reserve Board, predicting new waves of inflation at every step along the way, has been consistently wrong about this. Some say the Federal Reserve Board should be given credit for the fact it is down. The Federal Reserve Board did nothing but predict this was going to be different. It requires no credit to be wrong.

So I ask, and I think Senator HARKIN would ask, the Federal Reserve Board to do the right thing when it meets in the Federal Open Market Committee, and make the reduction in interest rates that is justifiable and is important to this country.

Mr. President, I reserve the remainder of the time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I as unanimous consent that the order for the quorum call be rescinded.

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

Mr. DOMENICI. Mr. President, may I discuss with Senator DORGAN the current situation? We have a unanimous-consent agreement that says at 11:45 a.m. I am to be recognized to move to table the amendment. I am here. I only have 5 minutes to speak, and I don't choose to use that at this moment.

What is the Senator's understanding about how we are going to handle this unanimous-consent agreement that sets 11:45 a.m. as a vote time?

Mr. DORGAN. Mr. President, the 11:45 a.m. time has been extended, I think, by about 8 minutes by unanimous consent.

The PRESIDING OFFICER. By 5 minutes; the Senator is correct.

Mr. DORGAN. By 5 minutes. That would be 11:50 a.m. I am waiting for Senator HARKIN to arrive on the floor. He is the principal sponsor, along with myself, on the legislation. He wants to speak on it. I just finished speaking. I am waiting for Senator HARKIN. I suspect he will want to provide some remarks, after which the Senator from New Mexico can proceed.

Mr. DOMENICI. I appreciate that. I guess while we are in a quorum call, time is not running. I ask unanimous consent that up to 5 minutes of the quorum call not be charged and, thus, we will have 5 additional minutes before the time the Senator from New Mexico makes a motion to table.

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

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. 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. HARKIN. Parliamentary inquiry. What is the floor situation right now in terms of time under the unanimous-consent agreement agreed to yesterday?

The PRESIDING OFFICER. The Senator has the right to offer an amendment and the Senator has 15 minutes remaining on his time.

Mr. HARKIN. I did not hear that. How much time?

The PRESIDING OFFICER. Fifteen minutes.

Mr. HARKIN. On our side?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Fifteen minutes left on this side?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Mr. President, I yield 7 minutes to the Senator from Minnesota, Senator WELLSTONE.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Parliamentary inquiry, Mr. President. Has the amendment been called up?

AMENDMENT NO. 3616 TO AMENDMENT NO. 3559

(Purpose: To express the sense of the Congress regarding the reduction of the Federal Funds rate by the Federal Open Market Committee)

Mr. HARKIN. Mr. President, before I yield to the Senator, I ask that the amendment be called up at this time.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] for himself, Mr. DORGAN, Mr. CONRAD, Mr. WELLSTONE, Mr. BRYAN and Mr. KERREY, proposes an amendment numbered 3616 to amendment No. 3559.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE CONGRESS REGARDING INTEREST RATES.

(a) FINDINGS.—The Congress finds, as of the date of enactment of this Act, that—

(1) real interest rates are at historically high levels, the highest in 9 years;

(2) the Federal Funds rate is 5.5 percent, where it has been since March 1997, despite an inflation rate of 1.6 percent;

(3) between 1992 and 1994, the Federal Funds rate averaged 3.6 percent, while inflation was at 2.8 percent;

(4) to confirm that real interest rates are historically high, the Chairman of the Board of Governors of the Federal Reserve System, Alan Greenspan, said during his Humphrey-Hawkins testimony before the Committee on Banking and Financial Services of the House of Representatives on February 24, 1998, ''Statistically, it is a fact that real interest rates are higher now than they have been on the average of the post-World War II period.'';

(5) inflation over the 2 years preceding the date of enactment of this Act was at its lowest level since the 1960's;

(6) interest rates on 30-year Treasury bonds have sunk to record lows and are below the Federal Funds rate, a signal that the United States economy could be headed for a recession;

(7) United States corporate earnings in the second quarter of 1998 were down 1.3 percent from a year earlier;

(8) a reduction in interest rates would increase resources for business growth;

(9) the farm debt is at its highest level since 1985, and broad commodity price indexes are extremely low;

(10) there are significant, widespread signs of global deflation, to which the United States has not been exposed since the Great Depression;

(11) there has been a deterioration in a number of economies around the world, which will negatively impact the United States through fewer purchases of United States exports and a greater influx of cheap imports to the United States;

(12) the United States economy is a large, healthy economic engine, and if the United States economy does slow, it would be exceedingly difficult for the worldwide economy to recover;

(13) a decline in equity values could dampen confidence and slow consumer and business spending, which together represents four-fifths of the United States economy;

(14) a decline in United States interest rates would help bolster the currencies of countries throughout the world suffering from economic hardships; and

(15) a reduction in interest rates would strengthen the United States economy over the next year while the world's weakened economies recover.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the Federal Open Market Committee should promptly reduce the Federal Funds rate.

Mr. HARKIN. I yield to the Senator from Minnesota 7 minutes.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

I thank my colleague from Iowa.

I do not think I am going to be able to do justice to the question that is before us. There was a bit of confusion. We were over hearing President Nelson Mandela and lost some valuable time on the floor, although I must say I would have never traded that experience to hear President Mandela.

Mr. President, for the last few months, we have been so absorbed with the crisis at the White House I am afraid we have neglected another crisis that might end up having a far greater impact on ordinary working Americans. I am talking about a global economic crisis whose effects are already being felt on our shores.

The situation in the global economy today is much more than troubling; it is dangerous. I believe we must act now to stop the world from slipping into a deflationary spiral. And by the way, I would like to give Bill Greider, and his book ''One World: Ready or Not,'' just a little bit of mention. I think Bill Greider deserves a tremendous amount of credit. That book, written about two

years ago, was really prophetic about where the international economy might go.

As I said, I believe we must act now to stop the world from slipping into a deflationary spiral. Surely part of the solution—not the whole solution—is for the Federal Reserve to cut short-term interest rates significantly.

I hope that Alan Greenspan, Chairman Greenspan, today in his testimony will, indeed, signal that he is ready to do that. This may be only one part of the solution, but it is an important part, and that is what this Sense-of-the-Congress resolution is all about.

Mr. President, this global economic crisis is unlike anything many of us have ever experienced in our lifetimes. For the first time since the 1930s, we see the GDP falling in over one-quarter of the world economy. Last week, President Clinton called this ''the greatest financial challenge in the last half-century.'' And he was right.

If we choose to do nothing, we will have little hope of escaping from this crisis unscathed. As Chairman Greenspan recently testified, we cannot forever be an oasis of growth when so much of the world's economy is contracting.

Lowering interest rates will address the global crisis in several ways. It will supply some much needed liquidity to a world economy starved by massive currency devaluations. It should help restart capital flows to crisis countries. Lower rates should also weaken the dollar, making it easier for foreign borrowers to repay their dollar-dominated debt. Boosting the yen against the dollar should make other Asian countries more competitive and help stabilize their economies. The end result should be higher world economic growth and less instability in the financial markets.

Mr. President, I cannot emphasize enough how important this Sense-of-the-Congress amendment is, because we are attempting to send a signal here. I come from the Midwest. We see a contraction in the farm economy. We see farmers driven off the land because of record-low prices. But what I also see is an absolutely impossible situation right now where what is happening in this world economy is surely going to affect us. And there is no question that, by lowering interest rates in coordination with other countries—like Germany and the G–7 countries—we can at least increase demand.

If there is one thing we must do, it is increase demand in all of our economies so that people will be able to consume, so we will have markets to sell to. Bill Greider was right. The major threat right now, not only to the international economy but to our own economy, is not inflation. It is deflation.

All the arguments about the NAIRU—the Non-Accelerating Inflation Rate of Unemployment—don't stand up. It is not true that when you have low levels of unemployment you automatically set into gear an inflationary spiral in your economy. That has not happened. There is no evidence that it will happen.

The No. 1 enemy right now is not inflation, but the whole question of deflation, the whole question of a depression in a good part of the international economy which is going to dramatically, crucially, affect the quality of our lives, our children's lives and our grandchildren's lives.

The Federal Reserve Board, led by Mr. Greenspan, must lower short-term interest rates. They are too high. It makes no sense whatever—from the point of view of the best macroeconomic management, from the point of view of economic performance, from the point of view of stimulating demand in these economies, from the point of view of coordinating with other countries like Germany—for the Federal Reserve Board not to lower the federal funds rate. That is what this resolution calls for. That is why I am pleased to join my colleague from Iowa.

This is why a rising chorus of voices is now calling for lower rates. Many of them are conservatives. They include the Wall Street Journal, Jack Kemp, the National Association of Manufacturers, the Business Roundtable, Stephen Roache, C. Fred Bergsten, Roger Altman, Steve Forbes, and many others.

But there are also many who don't share my sense of alarm. A few may simply be afraid to say anything that could trigger a panic. Others may not see any need to take precautions against a forecasted hurricane—especially when the skies directly above us are sunny and clear. Well, maybe they are right. Maybe this storm will veer off course. But what if they're wrong?

Some of my colleagues may well say, ''We already have low interest rates. The Fed hasn't raised short-term rates for a year and a half.'' True enough. But if you adjust those rates for inflation, they've actually been rising for some time. Chairman Greenspan himself testified earlier this year that ''Statistically, it is a fact that real interest rates are higher now than they have been on the average of the post World War II period.'' In fact, the inflation-adjusted federal funds rate hasn't been this high since 1989.

Unfortunately, there has been a strong bias, at the Federal Reserve and elsewhere, against lowering rates, though this may be changing as we speak. The reason for this is simple: an inordinate fear of inflation. But inflation today stands at 1.6 percent, down from 3 percent in 1996. Where is the evidence of any inflationary pressure on the horizon? This downward trend cannot be attributed solely to the Asian crisis, either: the producer price index fell for the first seven months of 1997, before the crisis even began. To quote Bruce Steinberg, chief economist at Merrill Lynch, ''People who cry about inflation are in some other universe of reality right now.''

Moreover, an expected slowdown in economic growth should douse any possible inflationary pressures. Corporate earnings in the second quarter were down 1.3 percent from the previous year. Economic growth slowed from 5.5 percent in the first quarter to 1.6 percent in the second. The OECD predicts lower U.S. growth next year. Chairman Greenspan himself has acknowledged that ''there are the first signs of erosion at the edges, especially in manufacturing.'' Manufacturing capacity utilization is at a six year low, commodity prices are falling, and farm debt is the highest it's been since 1985. And the Fed says its monetary policy must be based on forecasts of economic conditions 6 to 9 months in the future!

In his speech last week, President Clinton recognized that these new circumstances call for a reexamination of some of our most basic economic assumptions. ''For most of the last 30 years, the United States and the rest of the world has been preoccupied by inflation,'' he said. ''But clearly the balance of risks has now shifted, with a full quarter of the world's population living in countries with declining economic growth or negative economic growth. Therefore, I believe the industrial world's chief priority today, plainly, is to spur growth.''

The Federal Reserve's obsession with inflation-fighting can be traced back to the so-called NAIRU [Non-Accelerating Inflation Rate of Unemployment] theory. What NAIRU boils down to is this: it's a belief that lowering unemployment too much will cause inflation to spiral out of control. Tragically, this theory has too often stood in the way of policies that would reduce unemployment.

Yet it seems to have little, if any, correlation to our actual economic experience. For four years now we've had unemployment rates below 6 percent. They've been under 5 percent for well over a year. During that time, inflation has been falling, not rising. The fact is, there's little reason to believe low unemployment causes inflation to come unhinged. It seems to me that this NAIRU theory is about as out-moded as the Nehru jacket. And frankly, I have serious doubts whether either of these fads was ever really defensible.

In the past, the Fed has focused on fighting inflation over all other considerations, which puts it at odds with its own statutory mandate. Let me remind my colleagues, once again, that the Federal Reserve is a creature of Congress. The 1946 Employment Act directs the Fed to pursue policies of ''maximum employment, production, and purchasing power.'' The 1978 Humphrey-Hawkins Act amendments call for policies of ''full employment,'' ''balanced growth,'' and ''reasonable price stability.'' Instead, it seems the Fed sees its mandate as stifling real wage growth.

Sometimes Washington seems like a different world than the one where most Americans live, and never more

so than when it's engulfed in scandal. But it can seem like a pretty odd place even in more normal times. In testimony before Congress, Fed Chairman Greenspan has seemed to express satisfaction that job insecurity keeps workers from demanding higher wages. More recently he has voiced concern that wages are rising, despite the fact that wage growth has not kept up with productivity. I'm not sure which is more outrageous: that anybody in a position of power in this country would say such things, or that so few people would be bothered by them.

In all fairness, the Fed has resisted the temptation to raise short-term rates for some time now. That's probably because falling unemployment has not led to higher wages until very recently, and inflation has continued on its downward path. But now, in the seventh year of this economic recovery, we are finally starting to see signs of wage growth. Real wages have risen 2.6 percent annually for the typical American worker since 1996, though they have still not regained their 1989 levels. And the trend toward income inequality has also begun to slow.

This is good news, and it is a tremendous breakthrough. The mystery of falling wages and rising inequality over the past three decades turns out to be not so mysterious after all. The fact is, we know how to raise wages and reduce inequality. We do not have to reinvent the wheel. Among other things, we need to maintain low unemployment over a sustained period. We've done this before and we can do it again. Surveying the U.S. economy since World War II, economist James Galbraith finds that income inequality has generally risen when unemployment was above 5 percent and fallen when unemployment was below 5 percent.

Simply put, we need to pursue a policy of full employment. The 1998 Report of the Council of Economic Advisers hails recent trends in income inequality and concludes, ''Maintaining a full employment economy is essential if this progress is to continue.'' The experience of the last two years should drive that lesson home. It would be a tragedy if an unjustified fear of rising wages or an economic downturn kept us from continuing that progress. With economic growth falling overseas and the growing danger of deflationary aftershocks here at home, I believe the Fed needs to cut interest rates now.

There are few things, I think, that would improve the lives of ordinary working Americans more than full employment. As the 1998 Report of the Council of Economic Advisers says:

> A high employment economy brings enormous economic and social benefits. Essential to personal economic security is the knowledge that work is available to those who seek it, at wages sufficient to keep them and their families out of poverty. A tight labor market encourages the confidence of job losers that they will be able to return to work, lures discouraged workers back into the labor force, enhances the prospects of those already at work to get ahead, enables those who want or need to switch jobs to do so without a long period of joblessness, and lowers the duration of a typical unemployment spell. . . . Wasted resources from not producing at potential, together with the human cost of unemployment, are intolerable; the elimination of this waste is the principal benefit of a sustained return to full employment.

As James Galbraith argues in his powerful new book, Created Unequal, lower interest rates and full employment help sustain not only a healthy economy, but also a healthy society. Lower rates make it easier to balance the budget. They help reduce inequality by lowering unemployment and reducing poverty, by preserving a competitive dollar that doesn't destabilize wages, and by checking the unearned income of top earners. They ease social strains by pushing up wages and lifting the burden of private debt. For all these reasons, in a full employment economy, citizens are more able and willing to make necessary investments in education, training, infrastructure, research, and other public goods.

But the flip side of this picture is not so rosy. Inequality has been rising since about 1970, and today is the highest it's been since the Great Depression. Growing inequality brings out the worst in us. It eats away at middle class solidarity. It encourages those who feel secure about their life chances to disavow any connection to their brethren in need. Growing inequality finds expression in bitter struggles over issues such as affirmative action, welfare, crime, entitlements, and even intelligence. And if income inequality had not so undermined middle class solidarity, I don't think the campaign to privatize Social Security would have ever gotten off the ground.

There are specific responses to each of these challenges, but the larger issue is the erosion of solidarity among Americans of different economic circumstances. The answer, it seems to me, is clear. We must rebuild that solidarity with higher wages and lower inequality. These lessons have a direct bearing on one of the paramount issues before Congress today: an America with rising wages and declining inequality is an America that need not worry about the future of Social Security.

What is true for the American economy is equally true for the world economy. The best global citizens are countries that generate their own domestic demand, and healthy demand depends on rising wages and lower inequality. There's been a lot of talk about virtuous cycles lately. Well, when income gains are broadly shared, it creates a virtuous cycle of mass purchasing power, growth, savings, and new investment. We can promote this kind of good citizenship by helping other countries raise their wages from the bottom up—through higher minimum wages, recognition of labor rights, and fiscal and monetary stimulus.

This kind of policy would be good not only for them, but for us too. And it would be good for the global system as a whole. We cannot forever be the buyer of last resort. We cannot forever help other countries develop economically by absorbing all their manufacturing exports. They need to create their own domestic demand. Trade should be a complement to healthy demand at home, not a substitute for weak demand. Otherwise we cannot escape the trap of excess production and overcapacity, with too many goods being produced and not enough prosperous consumers to buy them. As the AFL-CIO urged back in January, ''The United States, Europe, and Japan must work together to stimulate domestic demand in the developing economies and avert a dangerous tendency toward global deflation.''

Needless to say, we haven't been doing that. It certainly hasn't helped that, working through the IMF and other multilateral institutions, we have imposed deflation on countries in Asia and the rest of the world. We have depressed foreign demand by insisting that other governments cut spending, close banks, weaken labor laws, and raise interest rates. And we've insisted that they deregulate financial markets to remove any checks on often destabilizing flows of foreign capital. As the AFL-CIO said back in February, ''These terms may solve some short-term credibility problems with foreign investors, but will necessarily exacerbate the tensions, inequality, and instability of the global economy.'' That, I believe, is exactly the problem facing us today.

This is a time for bold new thinking. In his speech last Monday, President Clinton called on Chairman Greenspan and Secretary Rubin to convene a meeting of their counterparts in the G–7 and key developing countries within the next 30 days to strengthen the international financial architecture for the 21st Century. Fifty years ago, he said, we learned to tame the cycle of booms and busts that had plagued national economies, and we must now do the same for the international economy.

But what does that entail, exactly? Countries must be able to reap the benefits of free-flowing capital in a way that is safe and sustainable, the President said. The IMF should emphasize pro-growth budget, tax, and monetary policies. The World Bank should embark on a new ''social compact'' initiative focusing on job assistance and basic needs of children and the elderly. The World Bank and the Asian Development Bank should both double their support for the social safety net in Asia.

Meanwhile, it was reported yesterday that British Prime Minister Tony Blair has joined the call to restructure the institutions and rules governing the global financial system. And the IMF just released a report endorsing the kind of capital controls Chile has maintained for years to discourage destabilizing short-term capital inflows.

This appears to represent a 180 degree about-face from its previous dogged insistence on liberalizing capital markets.

These are extraordinary developments. I believe they are a sign of the seriousness of the crisis we face. They also indicate that deeply entrenched assumptions are now being reexamined. That's something we should welcome and encourage.

I believe we can prevent the worst from happening, but we must act now. These are times that cry out for American leadership. The most pressing need, and our most immediate priority, must be to deliver a preemptive strike against deflation. At the next meeting of the FOMC, Federal Open Market Committee, on September 29, the Fed should lower interest rates significantly.

Mr. HARKIN. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes 38 seconds remaining.

Mr. HARKIN. I yield whatever time I consume.

Mr. President, this amendment that we have offered is cosponsored by Senators DORGAN, CONRAD, WELLSTONE, ROBERT KERREY, and Senator BRYAN.

Because of the actions of the Federal Open Market Committee, real interest rates are rising. In fact, real interest rates are at historically high levels, the highest in 9 years, because inflation has fallen while the Federal Reserve failed to lower the Federal funds rate.

This chart points it out. The Federal funds rate continues to go up at about 3.9 percent. Fed Chairman Greenspan said in February of this year:

> Statistically, it is a fact that real interest rates are higher now than they have been on the average of the post-World War II period.

I have said time and again that the high interest rate policy being imposed by the Federal Reserve is a stealth tax on hard-working American families, and I believe it is a contributing factor to the near collapse of several economies worldwide.

Again, interest rates have a significant impact on virtually every family in America, every producer, business, and family farmer in this country. Lower rates have been needed for some time, but now quick action is truly crucial for our country's well-being. The economic signs not only in the U.S. economy but in economies worldwide demand swift and appropriate action.

I note in the front page of the Washington Post this morning it says, ''Signs Point to Interest Rate Cut,'' and:

> Federal Reserve Board Chairman Alan Greenspan will testify before Congress today amid growing signs that he may propose cutting interest rates when Fed policymakers meet next Tuesday.

And it goes on to say how many executives and economists have called for that.

Now, the amendment that I have at the desk reads that we ask the Federal Open Market Committee to promptly reduce interest rates. Now, the Senator from New Mexico had suggested that perhaps we might want to alter that a little bit to just say that perhaps we should advise them or urge them to do something like that.

I refer back to a congressional resolution passed by the Senate on December 18, 1982. It passed by 93–0. I believe the Senator from New Mexico may have been here at that time. I didn't check that, but I think he may have been here at that time. It passed 93–0. That resolution also called on the Fed to reduce interest rates. I will just read one sentence of it:

> It is the sense of the Congress that they should continue to take such actions as are necessary to achieve and maintain a level of interest rates low enough to generate significant economic growth, and thereby reduce the current intolerable level of unemployment.

At that time, December 18, 1982, the Senate saw fit by a vote of 93–0 to tell the Federal Open Market Committee that they should do something. That is what we are saying here in this resolution. They should promptly reduce interest rates because every sign points to the need to do so. Again, we could say that they should consider doing it, but I am just saying in 1982 we didn't say they should consider taking such actions. The resolution said, ''They should continue to take such actions.''

So there was a direction from the Senate at that time to the Fed. To those who say we shouldn't interfere with the Fed, I say where in the Constitution of the United States is the Federal Reserve system given such a standing? It is nowhere to be found in the Constitution. Article I, section 8 of the Constitution gives the power to coin and regulate the power of money to Congress. We have, of course, delegated that power to the Federal Reserve System under the Federal Reserve Act, as amended, many times. Obviously, I don't believe Congress should coin money or regulate the value it. We couldn't do it. That is why we have the Federal Reserve.

However, as policymakers, because the Federal Reserve is a creature of Congress, it exists only because of an amended law, passed by Congress. We have the right, and I believe the obligation, to tell the Federal Reserve what we feel, what we hear, what we see, what we think is happening in the economy. We are the policymakers and we should give them that guidance and direction when and if we believe that we should do so.

Again, if there are those who don't believe that we should reduce interest rates, that we shouldn't tell the Federal Reserve that they should reduce interest rates, that I can understand. That is a clear policy difference. But to say that we shouldn't tell the Fed what to do flies in the face, I believe, of our responsibilities and our obligations as policymakers here in the U.S. Senate.

Policy wise, I believe they should lower interest rates. So does the head of the National Association of Manufacturers, the president of General Motors, and a number of other economists both on the conservative side and on the liberal side. They are saying that we should lower interest rates.

I think the purpose of this resolution and why I am offering it is to back up what I understand Chairman Greenspan is attempting to do. I understand there are still some members of the Federal Open Market Committee who don't believe we should lower interest rates. I think we should send them a very strong signal. We should back up what I understand Chairman Greenspan is now saying that they probably ought to do, and that is lower interest rates. That is the purpose of this amendment.

Mr. ABRAHAM. Mr. President, although I agree with the economic case for lower interest rates made by the Senator from Iowa, I must vote to table this amendment. While Members of Congress and Senators certainly have the right to express their opinions about the conduct of monetary policy, it is highly inappropriate for the Congress as an institution to take formal legislative action designed to influence decisions made by the Federal Reserve board members. To do so would undermine the political independence of the Fed and thus the stability of our financial and monetary system.

Having said this, Mr. President, I am concerned about the volatility and uncertainty enveloping worldwide financial markets and the role that U.S. monetary policy is playing in our global financial system. There are proliferating signs of deflation that many economists suggest are at least partially responsible for the recent market turmoil.

Gold prices have fallen by more than 30% since early 1996, commodity prices have fallen to 21-year lows, the yield curve has now inverted and real interest rates remain very high. Chairman Greenspan himself has said in the past that these indicators were important signals of the direction of inflationary pressures.

Nonetheless, rather than focusing on these market indicators, some members of the Fed appear to have placed more focus on the unemployment rate, rising stock prices and wage growth. In the meantime, corporate profits have declined on a year-over-year basis for the first time in a decade, farm prices are plummeting, bankruptcies have accelerated and now the stock market is reflecting slower growth ahead.

Mr. President, in my judgment, the best environment for business is an environment of price stability. Price stability should be the Federal Reserve's number one priority. And this means avoiding both inflation and deflation. Today, it appears that the risks of deflation have risen excessively.

History clearly shows that when monetary policy is focused on managing stock markets, wages or unemployment, mistakes can be made. I do not believe that higher rates of economic growth creates inflation. In my view, rising stock prices, rising wages, and falling unemployment reflect the incredible wealth creating capacity of a free market system, not the artificial result of an easy monetary policy. In today's high-tech world of higher productivity, using discredited models of the economy, based in the Phillips Curve, seems archaic.

The recent currency devaluations in emerging economies has also increased deflationary pressures. As these currencies decline in value, the worldwide demand for U.S. dollars has dramatically increased. However, because there has been no matching increase in the supply of dollars, the global economy faces a severe liquidity squeeze. And as Mr. Greenspan said during his recent remarks at the University of California, Berkeley, '' it is just not credible that the United States can remain an oasis of prosperity unaffected by a world that is experiencing greatly increased stress.''

Given the mounting evidence of deflation and the growing global financial difficulties, I believe the Federal Reserve should seriously consider reducing short-term interest rates at this juncture. The ''real'' federal funds rate has steadily increased as inflation has declined, implying a continued tightening of monetary policy. A rate cut would provide much needed liquidity to global economy, stabilize world-wide financial markets, and ensure continued non-inflationary economic growth.

Mr. President, in summary, while I personally believe that the economic case for lower interest rates is strong, I do not believe it is the proper role of the Congress to dictate that the Fed implement a specific monetary policy action through formal legislative action.

Mrs. FEINSTEIN. Mr. President, I will vote to table this amendment to S. 1301, the Bankruptcy Reform bill, which expresses the sense of the Congress ''that the Federal Reserve Open Market Committee should promptly reduce the Federal Funds rate.'' My vote to table this amendment should not be construed as opposition to lower interest rates. Rather, I do not believe it is the duty of this body, nor do I believe that it is appropriate for this body, to tell the Federal Reserve Open Market Committee what to do.

Mr. HARKIN. How much time remains?

The PRESIDING OFFICER. The Senator has 50 seconds remaining.

Mr. HARKIN. I reserve my 50 seconds.

Mr. DOMENICI. Mr. President, the question before the U.S. Senate is not whether the Federal Reserve Board should reduce interest rates; it is whether or not the U.S. Senate should say that the Federal Open Market Committee should promptly reduce the Federal funds rate.

Any Senators who have traveled the world, including Europe, and are asked what institution that the United States has in place that is the best thing going for global success, American capitalism and prosperity, guess what they will say? They won't say the Senate, they won't say the House, they won't say the President; they will say the Federal Reserve Board and its Chairman, who have been permitted, by act of Congress, to act independently of political pressures.

Now, frankly, there is a very serious problem with global economic faltering. Nobody has an answer to it. There are many suggestions as to what we didn't do that we should do. But I submit, for the world to find out, after Alan Greenspan and this Federal Reserve Board have done a most marvelous job in controlling interest rates and monetary policy that the whole world is looking at and saying they did it perfect, absolutely right—for us to come along now and say, ''Well, look, that is really so, but we would like to tell them right now''—in a way taking away some of their independence because we want to put political pressure on them—''that they should promptly reduce interest rates,'' frankly, I believe we will send the wrong signal, because I think the signal we need is the stability of the Federal Reserve Board making decisions on behalf of America, and America in a global market. That is the kind of stability that the world is looking for.

You know, I don't think anybody believes—and I am not saying Senator HARKIN does—that we should regularly on the floor of the Senate be critiquing the Federal Reserve Board and then telling them what they ought to do. I don't think anybody thinks that. But I think we are falling right into that trap here.

I have suggested—and I give it again to the sponsor—why don't we do what we ought to do and say the Federal Open Market Committee should seriously consider reducing the Federal funds rate? That way, we would be chiming in by whatever vote occurs with many people who think that, but we would not take this time in economic history to say that we are opting to say that the U.S. Senate says you should do it promptly. That is my argument. The Senate can do what it would like. I believe we ought not adopt it. If we want to state our case in this regard, we ought to state it another way, so that we are just joining in with comments and observations, but not drawing a conclusion that says if we were doing it, we would change it right now and we urge that you do that and do it promptly.

That is essentially the issue.

Mr. President, we are in the most complicated quasi-world recession that we have been in perhaps in modern times because capitalism is faltering around the world—not because capitalism and entrepreneurship doesn't work, but there are institutions that have fallen apart in other countries that are affecting us. I have no doubt that the Federal Reserve Board is going to do the right thing. There is no doubt in my mind that they are. I also suggest that if they reduce interest rates, everybody should not expect that the world economy is going to get fixed. There are many serious problems that it won't fix.

I reserve the remainder of my time.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, this amendment does not set monetary policy. It is a nonbinding sense of the Congress. William Gaston from the Congressional Research Service writes in a CRS report that, ''Congress has enacted nonbinding language to express its monetary policy preferences to the Fed.''

The last time this Senate debated a sense-of-the-Senate resolution to ask the Fed to lower interest rates was December 18, 1982. Again, I will read—it did not say it should seriously consider, it said, ''It is declared that it is the sense of the Congress that they should continue to take such actions as are necessary.'' That is what it said in 1982. It didn't say they should ''seriously consider,'' but they should ''take such actions.''

That is what this amendment says. It says they should reduce interest rates. The Business Roundtable said, ''The President and Congress should encourage the Federal Reserve to lower U.S. interest rates. . .'' not to seriously consider it.

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

Mr. HARKIN. Mr. President, I ask unanimous consent for 1 more minute.

Mr. DOMENICI. Mr. President, it is not that I am worried about arguments, but we have been changing to accommodate. But I will not oppose the Senator having 1 more minute.

Mr. HARKIN. I thank the Senator.

The PRESIDING OFFICER. The Senator is recognized for another minute.

Mr. HARKIN. This says, ''The President and Congress should encourage the Federal Reserve to lower interest rates.'' It didn't say we should have them consider it. That time has passed. I might have agreed with the Senator from New Mexico a year ago, that they should consider it. Now the time is critical. If the Federal Open Market Committee doesn't act next week, they don't meet again until November. That is why it is so crucial that we, as policymakers, send a strong signal, not that they should consider reducing interest rates, but they ought to do it. We ought to back up what we know is right, back up what the Business Roundtable and almost every economist is saying that we have to do. Is that interfering with the Fed? Not at all. But it is telling them what we, as

policymakers, believe and feel they should do at their next meeting, and that is to promptly reduce interest rates.

I thank the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have been here a long time and I voted on that resolution that the Senator is talking about. I didn't think I ever voted on a resolution that told the Federal Reserve Board what to do in precise terms like, ''Lower the interest rates.'' The resolution that we adopted overwhelmingly was much more in the tone and tenor and words of what I recommended. It says: ''They should continue to take such actions as are necessary to achieve and maintain interest rates low enough to generate significant economic growth.''

Frankly, that is precisely what we ought to be doing. We ought to be saying take whatever action is necessary; we should not say to them that we are saying, as a matter of policy, you should lower the interest rates. We ought not do that to the Federal Reserve. It will not do anything but discredit them over the long run and add instability where stability is needed.

Mr. HARKIN. Maybe we could reach an agreement on language here.

Mr. DOMENICI. I gave the Senator the language. I believe I am entitled to make a motion to table.

The PRESIDING OFFICER. Under the previous order, the Senator is recognized to move to table the amendment.

Mr. DOMENICI. I would like to do this, because there is a desire to talk for a minute. Without losing my right to move to table this when we come out of a quorum call, I ask unanimous consent that we can have a quorum call and that I may reserve the right to move to table. Is that language precise enough?

The PRESIDING OFFICER. Yes.

Without objection, it is so ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, pursuant to the order, I have a right to move to table at this point.

I move to table the amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico to lay on the table the amendment of the Senator from Iowa. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. I announce that the Senator from Virginia (Mr. WARNER) is necessarily absent.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 71, nays 27, as follows:

[Rollcall Vote No. 283 Leg.]

YEAS—71

Abraham	Faircloth	McCain
Allard	Feinstein	McConnell
Ashcroft	Frist	Moseley-Braun
Bennett	Graham	Moynihan
Biden	Gramm	Murkowski
Bingaman	Grams	Murray
Bond	Grassley	Nickles
Breaux	Gregg	Robb
Brownback	Hagel	Roberts
Burns	Hatch	Rockefeller
Byrd	Helms	Roth
Campbell	Hutchinson	Santorum
Chafee	Hutchison	Sessions
Coats	Inhofe	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Kempthorne	Smith (OR)
Coverdell	Kerry	Snowe
Craig	Kohl	Specter
D'Amato	Kyl	Stevens
DeWine	Landrieu	Thomas
Dodd	Leahy	Thompson
Domenici	Lott	Thurmond
Durbin	Lugar	Wyden
Enzi	Mack	

NAYS—27

Akaka	Feingold	Lautenberg
Baucus	Ford	Levin
Boxer	Gorton	Lieberman
Bryan	Harkin	Mikulski
Bumpers	Hollings	Reed
Cleland	Inouye	Reid
Conrad	Johnson	Sarbanes
Daschle	Kennedy	Torricelli
Dorgan	Kerrey	Wellstone

NOT VOTING—2

Glenn	Warner

The motion to lay on the table the amendment (No. 3616) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico. Will the Senator from New Mexico withhold? May we have order in the Chamber, please? All conversations should be moved to the cloakrooms. The Senator from New Mexico deserves to be heard.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, a number of Senators who voted on the motion to table which I proposed indicated that they would like to see an expression regarding the interest rates, but not a mandate. I ask unanimous consent—I am not sure I will get it—but I ask unanimous consent that it be in order that I offer a similar resolution, but the resolve clause would state:

It is the sense of the Congress that the Federal Open Market Committee should consider reducing the Federal funds rate.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOMENICI. Mr. President, I say to Senators, I will speak to the leader and maybe we can offer it somewhere else. We cannot offer it on this bill. I regret we cannot vote on it. I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa. Will the Senator suspend? May we have order in the Chamber, please? All conversations in the aisle should be moved to the cloakrooms.

The Senator from Iowa.

Mr. HARKIN. Mr. President, usually when votes are cast, I don't like to revisit them. People have their reasons; we vote and we move on around here. But I heard so much in the well from people voting on this last sense-of-the-Senate resolution that I felt I should take a little bit of time to perhaps clarify a couple of things and to make an additional point.

First of all, this was a sense-of-the-Congress amendment. It was nonbinding. Someone said, ''We shouldn't be legislating what the Federal Reserve should do.'' With that I wholeheartedly agree. We were not legislating a law to tell the Federal Reserve what to do, No. 1. That is my first point. This was a nonbinding sense of the Congress—we adopt those all the time around here—basically to say, ''Here is what I, a policymaker, think should be done.''

Secondly, this is not without precedent. This body has in the past voted on sense-of-the Congress amendments and resolutions that have told the Fed what we believe they should do.

Third, I heard it said that we should not be politicizing the Fed. With that I wholeheartedly agree. But article I, section 8 of the Constitution gives the power to coin money and regulate the value thereof to the Congress of the United States. It did not give it to the Federal Reserve System.

The Congress, in its wisdom, in the past set up the Federal Reserve System to do that. We delegated our powers to the Fed to do that. Over the intervening years, we have amended the Federal Reserve Act. It is not carved in stone. It has been amended and changed several times since 1913. But the Federal Reserve System remains a creature of Congress. It exists only by the laws passed by the Congress. It is not a separate branch of Government.

It is not some kind of supreme being, some kind of item of sanctity that we can never touch. I believe it is not only our right but our responsibility as policymakers at certain times, if we feel a certain way, to be able to tell the Federal Reserve System what we believe they should do.

So on this past vote I have no quarrel with anyone who believes the Federal Reserve should not lower interest rates. I may debate that point with

them, because I believe they should lower interest rates. That is a good debating point. But if someone voted on this and said no, the Federal Reserve should not lower interest rates, that I believe is a valid position that someone might hold, of which I disagree.

Mr. REID. Would the Senator from Iowa yield for a question?

Mr. HARKIN. Let me finish this, and I will.

But to say we cannot vote to tell the Fed what to do because it would be politicizing it or we cannot interfere I believe somehow is an abdication of our responsibilities, not only our rights but our responsibilities as policymakers to tell a creature of the Congress what we believe they should do. We do not do it very often in terms of the Fed. In fact, I pointed out the last time we had a Sense of the Congress calling on the Fed to lower interest rates was in 1982. So this is not something we take lightly.

But I believe at this point in time, with the world economy being what it is, with the tremendous drop in commodities and commodity prices here and around the world, with the specter of depression and deflation facing us—almost every economist, conservative, liberal, head of the Business Roundtable, head of General Motors, head of the National Association of Manufacturers, all say the Fed should lower interest rates.

I offered this amendment, along with others, in good faith, to back them up to say, yes, you should lower interest rates. And that is what this was meant to do, to send that sense of the Congress that that is what we believe they should do. Obviously, we did not prevail. So I can only assume that most people do not believe they should lower interest rates.

I would be delighted to yield to my friend from Nevada for a question.

Mr. REID. Does the Senator from Iowa realize that Senator DORGAN and I have offered legislation on several occasions to have the Federal Reserve System audited on a yearly basis? Is the Senator aware we have done that?

Mr. HARKIN. This Senator is not aware of that specific legislation, no.

Mr. REID. Would the Senator acknowledge that the Federal Reserve Board—it would be a good idea to see how they spend their money?

Mr. HARKIN. We don't know that?

Mr. REID. The Federal Reserve System is not audited.

Mr. HARKIN. No. I ask the Senator—I am not being facetious. Is the Senator from Nevada telling me that the General Accounting Office, the GAO, does not audit——

Mr. REID. Absolutely not.

Mr. HARKIN. Can the Senator tell me why the GAO does not audit the Federal Reserve?

Mr. REID. The Senator from North Dakota and I have been wondering for a couple of years. We have offered legislation time and time again to have the Federal Reserve System audited, like every other Government entity in this country. But no. In fact, we asked for a General Accounting Office study to find out a little bit about the inner workings of the Federal Reserve System, and we found, among other things, they have what we refer to as a ''slush fund,'' what they refer to as a ''rainy day fund'' that they have kept there for 80 years, or thereabouts, 70-some-odd years. It is billions of dollars that they just keep there.

That money, we believe, should be taken out of the Federal Reserve System and applied toward the deficit to take down the debt that we owe. But no, they keep hanging on to that money year after year.

I appreciate, very much, this amendment having been offered by the Senator from Iowa, because, if nothing else, it allows me the opportunity to ask the Senator from Iowa a question: Shouldn't we audit the Federal Reserve System? The American public thinks so, but here the message is without response. We cannot get people to support us on that.

Mr. HARKIN. This Senator was not aware of that.

Is the Senator telling me that the Federal Reserve, which I have just stated is a creature of Congress, and exists by law, that the General Accounting Office, our accountant, cannot audit the Federal Reserve?

Mr. REID. Cannot, does not, and will not.

Mr. HARKIN. I would respond to the Senator by again asking the Senator a question. Have we ever tried to pass something here to have an audit done for the Federal Reserve?

Mr. REID. Yes.

Mr. DORGAN. I wonder if the Senator would yield for a question.

Mr. HARKIN. I yield to the Senator from North Dakota for a question.

Mr. DORGAN. The Senator from Nevada talked about this audit that was done of the Fed by the GAO. What the audit showed was a $3.7 billion fund accumulated at the Federal Reserve Board—$3.7 billion. And they pointed out that the Fed has not had a loss for nearly 80 years—will never have a loss. You can't lose money when you create money. So there was no reason to have a rainy day fund or some sort of provisional fund of $3.7 billion. And the GAO recommended that it be returned to the Treasury. It belongs to the American people.

Not only has it not been returned, the $3.7 billion has now been increased to $5.2 billion. So you have to say to somebody, if you think there is reason to get some of these resources to do something with it—pay down the Federal debt or to do some of the other issues—there is $5.2 billion down at the Fed that they have for a rainy day fund, and they never have rain down there. They create money. They make their own money. And they have never had an annual loss, and will never have a loss; and yet they have squirreled away $5.2 billion of resources. And we have raised this issue.

The GAO—not us—the GAO says that ought to be returned. But it will not be, I assume because this Senate—Congress says, ''Gee, we don't want to touch that house on the Hill that's got those big gates around it, the big fence. And it's an American dinosaur. We can't crawl in there and see what's going on.'' But the GAO did a 2-year study. I would commend my colleagues to take a look at what they found in that study.

There is plenty wrong down there. There is not good accounting. There is not good contracting. There is a rainy day fund of billions of dollars. So there is plenty of work to do with the Fed.

I ask the Senator from Iowa, isn't it the case that all we were doing today was to say, ''Gee, we think it's time for you to reduce interest rates the next time you meet, given all the evidence that exists''?

Several Senators addressed the Chair.

Mr. HARKIN. I yield to my friend from Nevada.

Mr. REID. I say to my friend from Iowa, I do not think the Senator from Iowa realizes, in the GAO report we also found that the governors of the Federal Reserve System, some of them fly first class, some of them fly whatever class they want. We found the most interesting things there, how they have no rules or guidance, how they travel, how their expenses are determined.

I recommend to my friend from Iowa, and everyone within the sound of our voices, that we need to take a better look at the Federal Reserve System. I commend and applaud the Senator from Iowa for bringing this amendment here today because it gives us a chance to focus, as you have said, on a creature we created. Congress created this. And we have statements here: ''Hey, we can't suggest to the Federal Reserve System because it might hurt us internationally.'' Congress created the Federal Reserve System. Can't we do a little bit about it, for example, to see how they spend their money? The answer to this point is no.

Mr. HARKIN. I hope that the Senator, then, would try again to bring up some legislation to provide for an audit of the Federal Reserve. I honestly cannot believe we are not doing that. I appreciate the Senator for his enlightenment on that issue.

I yield to the Senator from Utah for a question.

Mr. BENNETT. I cannot let this exchange go without giving a word or two of explanation. The Federal Reserve Board, as the Senator from Iowa has accurately stated, was created by the Congress, and presents to the Congress an audited statement of its financials every year. It is addressed to the Speaker of the House.

It is true that it was not done by the General Accounting Office, but they are audited by a legitimate outside auditor, and their activities, down to the penny, are reported to the Speaker

of the House in a written document every year. I will be happy to supply it to any Member of this body that may wish it.

Mr. HARKIN. I thank the Senator for this enlightenment.

I am responding to what the Senator from Nevada said, that they were not audited.

Mr. BENNETT. The Senator from Nevada is correct; they are not audited regularly by the General Accounting Office, but it is audited. A copy of the audited and exact financial activities of the Federal Reserve Board are submitted in writing to the Speaker of the House every year.

I have constituents who are constantly saying to me that the Federal Reserve Board is owned by a group of Swiss bankers or foreign interests somewhere and that it has never been audited. I always send them a copy of the audited report of the Federal Reserve Board that is submitted to the Speaker so that they can know that this creation of the Congress does not go unexamined by an appropriate auditing firm.

It is true to say that it is not audited regularly by the General Accounting Office. I think that is the point the Senator from Nevada was making. However, I think we should not let people be under the assumption that the Federal Reserve Board goes without anybody paying any attention to how they handle their money.

Mr. HARKIN. Without losing my right to the floor, I yield for a further answer from the Senator from Nevada.

Mr. REID. I say to my friend from Utah through the Senator from Iowa that I think this is something that really deserves a debate. I hope that when our bill is offered on a subsequent occasion that the Banking Committee will at least give us a hearing on this.

I say to my friend from Utah, yes, there is a document that they call an audit, but it is a self-audit. You cannot audit yourself. That is, in effect, what has happened. We think there should be oversight by the Congress of the United States which created the Federal Reserve System. They shouldn't be able to hire whoever they want to look at their books. They may do a great job, but from a perception standpoint it doesn't look great.

When the General Accounting Office tried to get the information requested by the Senator from Nevada and the Senator from North Dakota, it was extremely difficult to get. The Federal Reserve System is an island to itself. They don't like to be messed with, bothered, or give information.

Mr. HARKIN. If I might yield further without losing my right to the floor, I yield to the Senator.

Mr. BENNETT. Mr. President, I am happy to have a debate about this with the Senator from Nevada or anyone else. I think it is a legitimate issue to be aired, but I did not want to let the opportunity go by with the misimpression that some might have gathered. I know it was not intended for the Senator from Nevada to grant that misimpression, but some might have the misimpression that the Federal Reserve Board does not respond to the Congress that created it in an orderly fashion.

Mr. HARKIN. If I might say to my friend from Utah and Nevada, is it proscribed by law that the GAO cannot audit the Federal Reserve? Is that proscribed or is it just that they don't do it until we tell them to do it?

Mr. REID. I say to my friend from Iowa, I can't answer that question. I just know they don't do it. They have never done it.

When we asked for the review by the General Accounting Office of the Federal Reserve System, they fought us every step of the way. It took 2 years to get information that should have been obtained in a matter of a couple of months.

Mr. HARKIN. I ask the Senator from Utah if they do this audit that the Senator says is done what would be wrong with having the GAO do their own separate audit? What is wrong with that?

Mr. BENNETT. I don't know, either, I say to the Senator from Iowa. I have not looked into that.

Frankly, I have examined the annual report that the Fed submits to the Congress, addressed, as I say, to the Speaker of the House every year. They do it in accordance with law. They respond to the law that created them in that fashion. At least to my satisfaction, after examining that document, I haven't felt the need for any additional information.

As to whether there is a legal proscription against GAO, I have no knowledge one way or the other.

Mr. HARKIN. I thank the Senator from Utah.

Again, this raises another issue that was not in the sense-of-the-Congress amendment that I sent to the desk on which we just expressed ourselves.

I wanted to get back to the point, again, that it is a creature of Congress. I am somewhat disturbed, not so much by the outcome of the vote. I have lost votes around this place before. That is not the point. But the issue is the kind of talk that I heard among Senators after voting on this that, (a) we shouldn't politicize the Fed; (b) we shouldn't tell the Fed what to do; (c) the Fed is a separate entity and we shouldn't have anything to do with them.

I just don't understand where this comes from. I don't understand why this is the perception of so many people. I don't know why the Federal Reserve System has become so sacrosanct that we simply cannot deal with it. It is like the ''Holy of Holies.''

I find it strange that, as policymakers, we can't stand up and tell the Fed what we think they should do. That is not politicizing it. To politicize it would be for us to pass a law mandating that interest rates be at a certain level, or a law mandating that the Federal Reserve should vote this way or that. That is politicizing. That is what this Senator would even vote against.

But for the Senate to say to the Federal Reserve, a creature of the Congress, we have looked at the landscape, we see what is happening in our economy, we see what is happening worldwide, we don't like what we see. We believe that the time has come to lower interest rates. We believe something should be done.

Now, again, I see nothing wrong with this debate. I think that is part not only of our rights, but our responsibility.

I want to take a couple more minutes to say why I believe so deeply and so strongly that we should be saying to the Fed that they should lower interest rates. Sometimes you would think this is a liberal proposition. I don't define it in terms of left, right, liberal, conservative. I really don't define it in that way. I define it in terms of whether or not we believe interest rates should be lower or whether we think they shouldn't be lower; whether we think the economy is going into a recession, or whether we think the economy may be verging on inflation. If you think the economy is experiencing an acceleration of inflation, you would not want to cut interest rates; if you think the economy is verging on recession, you would want to lower interest rates.

That is where I believe we are. Don't take my word for it. I will point out what the Business Roundtable said on September 16, last week:

> The President and Congress should encourage the Federal Reserve to lower U.S. interest rates. In addition, the President, Congress and the Federal Reserve should work with our international trading partners to stimulate their domestic economies.
>
> . . .. should encourage the Federal Reserve to lower U.S. interest rates.

It doesn't say we should ask the Fed to ''consider.'' It doesn't say that. It says they should ''lower'' the rates, not ''consider.''

There is talk that the Senator from New Mexico wants an amendment to say that we would just consider, that we should tell the Fed they should consider lowering interest rates. I don't believe that language is strong enough. Again, it is as if for some reason we almost have to ask the Fed for their permission to tell them what we think they should do.

Mr. WELLSTONE. Will the Senator yield?

Mr. HARKIN. I yield for a question to my friend from Minnesota.

Mr. WELLSTONE. Mr. President, for some reason I don't understand, as well, why Senators are unwilling to speak to this issue and provide our judgment about what should be done. We don't talk about monetary policy much.

The Business Roundtable says, ''The President and Congress should encourage the Federal Reserve to lower U.S.

interest rates.'' The Business Roundtable doesn't fit into the label ''liberal,'' although I think that label is irrelevant. Why has the Business Roundtable taken that position? What is it about real interest rates that is so important to the people you represent in Iowa and the people I represent in Minnesota? Can we talk for a moment about that?

Mr. HARKIN. Sure. I thank the Senator. That is really the point. I have a chart to show that the real Federal funds rate is at its highest level in nine years. What does that mean? What that means is that real rates of interest are at a very high point. For example, even Chairman Greenspan said earlier this year that real interest rates are at a historically high level, compared to all the years from World War II until now.

What does that mean? Well, that means that the farmers in America whose commodity prices are going down all the time, our livestock producers and our farmers have to pay exorbitantly high interest rates—real interest rates—when they are already squeezed with low prices. It means that our business sector, small businesses, and others who are creating jobs, who need to borrow money for expansion or even for job training or retraining, find that they are squeezed because of high interest rates. So they don't do it. So what happens then is our economy starts to slow down.

I will point out that in the first quarter of this year, our growth was 5.5 percent; it was 1.6 percent in the last quarter. Many economic signs point to a possible recession, possibly a downward spiral in prices. Then we see what is happening in foreign economies and in foreign currencies. Because of our high interest rates, we find that their economies are going down and they, in turn, can't buy any of our products because of the excessively strong dollar that we have. So when you add it all up, because of the insistence of the Fed to keep a tight money policy, high interest rate policy, they have moved us to the brink of recession.

In further responding to the Senator's question, from 1994 to 1995 the Federal Reserve raised interest rates by 100 percent, from three percent to six percent. They raised interest rates because they were beholden—most of them, or at least the voting majority—to an economic theory called NAIRU, Non-Accelerating Inflation Rate of Unemployment. That is a fancy term. What some economists have believed in the past is if unemployment fell to a certain level, inflation would take off and it would spiral upward and accelerate—it would not just rise, it would accelerate, if unemployment got to a certain level.

Well, a couple years ago, economists said they thought that rate was 6 percent. They thought that if unemployment went below 6 percent, we would be in deep trouble. Then unemployment went below 6 percent and the Fed said, ''Oh, my gosh, we have to tighten monetary policy,'' and they started raising interest rates. Inflation never went up. Then unemployment went down. And, they said, ''Well, we changed our minds. The natural rate of unemployment is actually 5.5 percent.'' Well, then unemployment went below 5.5 percent. Now we are at 4.5 percent unemployment, and still no inflation. Yet, the Federal Reserve has continued to keep a tight money, high interest rate policy in effect, because they were afraid; they felt that because of this economic theory, inflation was going to take off.

What happened is, because of that high interest rate policy, our farmers are squeezed, our consumers are squeezed, homeowners have to pay more monthly interest on mortgages on their homes, small businesses pay more money when they borrow to expand, or they just don't do it. A larger business, whether it is General Motors or Ford, would have to pay higher interest rates. The economy starts to slow down. That is exactly what happened.

I submit further to my friend from Minnesota that because of their policies over the last couple years, because they would not move, it has helped generate the kind of economic collapse we have seen in other parts of the world. The high interest rate policy at the Fed is a contributing factor to the continual decline of the Asian economy.

Mr. WELLSTONE. If the Senator will yield, I will not take much more time. I have two quick questions, I say to my colleague from Florida, because I know he is waiting. I will ask the question to the Senator from Iowa who gives the lengthy answers. I think it is just incredible, I say to my colleague from Iowa, it is just incredible how this whole issue of real interest rates and monetary policy—which has such a critical impact on small business, on farmers, and on industry and housing—is taken off the table. We are even unwilling to give our best judgment as to what the Federal Reserve ought to do. It is amazing to me.

Let me ask you this question: Would you agree——

Mr. HARKIN. I will keep it short.

Mr. WELLSTONE. I want to hear the Senator's answer, because this is a critical issue. Would you agree that our taking the lead in lowering short-term interest rates also would be critical to what the Germans might do, what the other G–7 countries might do? Shouldn't this be put in the context of a coordinated response at an international level, dealing with this contraction of the international economy, dealing with this problem of deflation? Maybe you could spell out a little bit what you mean.

In other words, the Senator talked about the effects of high real interests rates within our country, but could we not also say another part of the argument is the effect on exchange rates? That a strong dollar ultimately means other countries will try and export their way out of crisis? That they will dump a lot of products on our market and end up competing with workers in our country?

Aren't you really saying that, in the absence of something being done through monetary policy, we are not going to be able to get enough demand going in these countries? That we are not going to have enough economic stimulus? That people are not going to have money to buy products, which would help create jobs? And that the major problem is not going to be what you were talking about—inflation, which the Fed seems to be excessively focused on—but deflation? Am I not correct that that is part of what is going on?

Mr. HARKIN. Absolutely.

Mr. WELLSTONE. Bill Greider, who wrote, ''One World: Ready or Not,'' has been talking about this for some time. In part, you are talking about the effects of monetary policy within our country. But you are also talking about our taking the lead in trying to fashion a coordinated response at an international level to deal with what has happened. We have a depression in part of the international economy.

Mr. HARKIN. The Senator is right. I wish the Fed would pay more attention to Bill Greider's writings. Monetary policy has to work for all of our people, not just a few. It has to be cognizant of what is happening to ordinary people in this country.

As the Senator spoke about what is happening internationally, I was looking through the papers. The Wall Street Journal pointed this out in an editorial on August 31, calling for the Fed to lower interest rates. They said, ''Since last year, currencies in emerging markets, from Thailand to Russia, have been collapsing like popped bubble wrap.'' This is a significant threat to us and people in those countries. Our dollar is much too strong right now. Because of that, they can't get the kinds of foodstuffs and things they need for their own people.

(Ms. COLLINS assumed the Chair.)

If we want to help the Japanese economy and the Asian economy, what we should do is lower interest rates. Many economists have noted that the value of currencies in several countries will not only reduce the rate of inflation but also sharply increase our trade deficit, eliminating many jobs and slowing growth in the process.

Again, if we don't address this because of their slowdown, because they are not buying our products, we are going to lose jobs in this country. We are going to have a drastic slowdown.

The fear I have, I say to my friend from Minnesota, is that we may have waited too long. The Fed was so frozen by this outdated, outmoded economic concept called NAIRU that they couldn't see what was really happening because they only focused on the rate of unemployment, and that caused them to be blind to everything else that was going on.

Mr. WELLSTONE. I ask my colleague, this concept that he is talking about—NAIRU—is the idea that if you reduce employment too much, you automatically set off an inflationary spiral?

Mr. HARKIN. Inflation would not only start but accelerate.

Mr. WELLSTONE. My last question, I say to my colleague—and I look forward to coming to the floor and having a further discussion about this. I hope we are wrong. But I think this discussion of political economy, both in terms of what is happening to the global economy and also what is happening in our own economy, is going to become a very, very critical issue. We are seeing it already in agriculture. But this is just the beginning.

But this is my last question. Is it not also true that, when they talk about the alleged danger of unemployment continuing to go down, that this would also bring up the bargaining power of wage earners? It wouldn't be just a matter of unemployment going down. This would also mean that people in a tight labor market would see their wages go up and would have a better chance of working at living-wage jobs? I think the Federal Reserve Board tends to be more responsive to bond holders, financial people, and the creditors, and they want to keep interest rates up.

Isn't it also true that having real interest rates so high is one of the reasons we have a maldistribution of wealth and income today in this country? We have this paradox of some people being able to purchase all the goods that make life richer in possibility. But then we also have so many families—maybe the majority of families in our country—who cannot. Maybe this is one of these hidden issues that we don't talk about, with everything swirling around in Washington, that so many families are still struggling to make ends meet and do well by their kids.

What would be the harm in moving toward full employment? What would be the harm in making sure that wage earners make better wages? What would be the harm in having more people have access to living-wage jobs? Isn't the whole question of real interest rates one piece of it?

Mr. HARKIN. I say to the Senator from Minnesota that he is absolutely correct.

Mr. WELLSTONE. I agree.

Mr. HARKIN. It is bigger by a tremendous magnitude.

We deal here in budgets in terms of billions of dollars. I know it sounds like a lot of money. But what the Fed does affects the entire $7 trillion economy.

The Senator from Minnesota is absolutely right, what the Federal Reserve System does has a more profound effect on the daily lives of our citizens—how they live, how they are able to take care of their families, what kind of jobs they have, and what they have paid—than anything that we ever vote on around here in terms of budget matters.

I thank the Senator for his inquiries and enlightenment on this issue. He has been a long-time fighter for the average working families and making sure that working people get a fair deal. I know the Senator from Minnesota understands that if you have lower interest rates, that helps working families. It helps families.

The Senator from Minnesota also knows, as most of us know, that in the last couple of years, with this tight money policy, this high interest rate policy at the Federal Reserve, some people have said, ''Well, gee, whatever they have done has been good. Our economy is great. Whatever the Fed has done is good. Look at what is happening in our economy. Look what is happening in our economy. Unemployment is down.''

That is true. But if unemployment is so low, I ask you, why is it that when I went to Sioux City last Friday and visited the food bank, or earlier on when I visited the food bank in Des Moines, I was told by the directors of those two food banks that their demand for commodity foods—that the USDA commodities plus the food they get contributed from businesses, churches, and schools—is skyrocketing higher than ever?

I did some checking. It is not only in Iowa, but in almost every State, the demand for food at our food banks has gone up in the last year or so. Why? If everyone is working, unemployment is so low, and the Fed has done such a great job, it is because, as I have been told and as I have found out, many of these people are working—usually single parents, usually single mothers with one or more children. They go to work every day. They work every day. They make a paycheck. They qualify for food stamps. They get food stamps. And then the food stamps run out before the end of the month. The only place they have to go is to the food bank to get free food.

Don't take my word for it. Ask your staffs. Go out and ask your food banks. In any State, go out and ask those food banks. Find out what is happening. You will find that it is true. The demand for food from those food banks has gone up and continues to go up, and they are concerned about what is going to happen this winter.

What has that to do with the Federal Reserve System? I am just saying, if they have done such a good job in this economy, why are they falling below the safety net? Because the high interest rate policy has ignored what is happening to the working families of America. A lower interest rate policy, everyone agrees, might mean that wages might go up and that businesses might be able to pay more in wages. I don't see anything drastically wrong with that. I think it would be a good thing for this country if wages went up. It would give people a little bit more buying power.

Again, what we are seeing happen in our country happened in the 1920s. Fewer and fewer people are making more and more money. More and more people are making less and less and having less of a stake in our economy. It is true. It is happening in the agriculture sector, too.

Neil Harroly, the distinguished agricultural economist at Iowa State, said what we are seeing in agriculture is not like the 1980s, it is like the 1920s. I think that is also what we are seeing happening in our country, too. So that is why I make the strong case that we have an obligation.

I see my friend from Florida is ready to speak. I am going to wrap up very shortly, but I just want to make a couple of points.

The Federal Open Market Committee may or may not be in a mode to lower interest rates. I quote the September 18 issue of the Christian Science Monitor, which noted that some Fed policymakers ''remain in a hawkish anti-inflation mode rather than worrying about the impact of deflation.''

These include William Poole, president of the St. Louis Regional Fed; Fed Governor Edward Gramlich; and an analyst, Jerry Gordon, president of the Cleveland Fed.

I don't say that. I am just quoting from the Christian Science Monitor.

Madam President, I ask unanimous consent that the article be printed in the RECORD.

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

[From Christian Science Monitor, September 18, 1998]

NEW SIGNS OF WEAKNESS IN U.S. ECONOMIC 'FORTRESS' FORECAST FOR SLOWDOWN

(By David R. Francis)

Concern is growing in the top echelons of Wall Street and Washington that cheap exports from overseas—everything from shovels to chopsticks—may drive down the American economy. The ''R'' word—recession—is now being heard more often.

As troubles persist in East Asia, Russia, and Latin America, US companies are finding fewer buyers for their goods overseas while foreign products are filling US shelves and showrooms. The concern was reflected on Wall Street Thursday, as stock prices plunged in early trading.

It was a ''double whammy,'' says Joel Prakken, chief economist of Macroeconomic Advisers in St. Louis. Investors were disturbed by new statistics on the American economy and by unsettling testimony to Congress by Federal Reserve Chairman Alan Greenspan and Treasury Secretary Robert Rubin Wednesday.

Though terming the United States economy strong, Mr. Greenspan noted, ''There are the first signs of erosion at the edges, especially in manufacturing.''

A plunge in prices on the Tokyo Stock Exchange to a 12-year low didn't help. In New York Thursday, the Dow Jones Industrial Average dropped more than 200 points in early trading.

Economists still are forecasting moderate economic growth in the US this year and in 1999. ''The slowdown is a little worse than we thought,'' says David Wyss, chief economist of Standard & Poor's DRI, an economic consulting firm in Lexington, Mass. ''And the risks of a recession are rising.''

Nonetheless, DRI sees growth in the national output of goods and services at about a 2.5 percent annual rate the rest of this year, helped by a rebound from the General Motors strike. Mr. Wyss predicts 1.5 percent growth next year.

He would like to see the Federal Reserve cut interest rates. Wall Street would, too. It wants interest rates lowered by other industrial nations as well. One reason for the less-than-happy face of many investors yesterday was Mr. Greenspan's testimony that, ''at the moment, there is no endeavor to coordinate interest-rate cuts'' among the major powers.

Wyss hopes for and expects lower U.S. rates by the end of the year, though not necessarily at the Fed's next gathering Sept. 29.

Some of those policymakers remain in a hawkish anti-inflation mode, rather than worrying about the impact of falling prices (deflation). These include William Poole, president of the St. Louis regional Fed, Fed Governor Edward Gramlich, and, analysts say, Jerry Jordan, president of the Cleveland Fed. ''They have got to come around,'' says Wyss. ''I'm not sure what it will take.''

Some, though, oppose a Fed rate cut at this time. They don't see the economy slowing that much. Prakken, for one, expects a 2 percent growth in gross domestic product next year.

One concern of economists is that the decline in stock prices itself will hurt growth. Wyss figures $2 trillion in paper household wealth disappeared between the July 17 peak in the stock market and the end of August. If the downturn lasts, it could trim consumer spending by as much as $50 billion.

The Asian crisis has hit U.S. exports hard, too. ''The trade data were terrible,'' says Wyss.

The U.S. trade deficit widened to $13.9 billion in July. Currency devaluations and depressed economies in Asia resulted in exports hitting a 17-month low.

So far this year, the trade deficit in goods and services is running at a record annual rate of $185 billion, 68 percent higher than last year's record deficit of $110 billion. America's deficit with Pacific Rim countries hit $87.8 billion in the first seven months—42 percent above the imbalance for the period in 1997.

''The trade balance could get a lot worse if there is another round of devaluations,'' warns C. Fred Bergsten, director of the Institute of International Economics in Washington.

The inflation news was not so bad. In August, the Consumer Price Index was up a seasonally adjusted 0.2 percent, same as in July. For the year, inflation is running at a 1.6 percent annual rate, compared with 1.7 percent for all of last year.

Prakken expresses concern that the ''core'' inflation rate—a measure that removes volatile energy and food prices—is up 2.5 percent for the past year. His partial explanation of the stock market decline is that Wall Street is finally recognizing that corporate shares have been overpriced, and that earnings will not rise nearly as much as analysts had anticipated.

He expects a ''virtual stall'' in earnings. The reasons: reduced profits from overseas operation as well as rising wages at home and difficulties in cost cutting.

Mr. HARKIN. I thank the President.

As David Wisk, chief economist of Standard & Poor's DRI, has complained, ''They have got to come around. I'm not sure what it will take.''

Let me repeat that. As David Wisk, chief economist of Standard & Poor's DRI, said, ''They''—the Federal Reserve—''have got to come around. I'm not sure what it will take.''

I thought one of the things it might take is for the Senate of the United States to clearly express itself to the members of the Federal Open Market Committee to lower interest rates now.

There are increasing signs of a possible recession. Thirty-year Treasury bond rates have sunk to record lows and are now below the short-term Federal funds rate. This is a drastic warning signal.

Again, I would point to the chart here ''30-year Bonds'' now lower than the Federal funds rate. That should scare us all. That should point to what we have to do in terms of lowering our short-term interest rates. Wholesale prices slid a steep 0.4 percent in August. In fact, for the first 8 months of this year producer prices have fallen at a 1.4-percent annual rate, compared with a 1.2-percent rise in 1997.

Again, I have talked about our farmers at great length and about what is happening to them and what is happening to our commodity prices.

I would start to wrap up my comments again just by saying that if someone voted because they don't want to lower interest rates, that is fine. While I think they are wrong, I will be glad to debate that, if we could ever get a debate on this issue in the Senate; no one seems to want to debate that issue.

Do we say somehow we can't express ourselves in telling the Federal Open Market Committee that they should lower interest rates—our language said promptly reduce interest rates—that somehow we can't say that because the Fed is independent, because the Fed is so sacrosanct that we can't touch it, that somehow we have to couch it in weak terms such as the Fed should only ''consider'' lowering interest rates? Why do we have to beg the Federal Open Market Committee to do something? Does the Congress of the United States work for the Federal Reserve System? Are they our bosses? Are they the ones who pull the strings and tell us what we can and cannot do?

We seem very reluctant in even expressing our views, because somehow it would politicize the Fed. We were not politicizing the Fed; that would take legislation. This was a sense-of-the-Congress, a non-binding resolution.

I hope that the members of the Federal Open Market Committee will promptly reduce interest rates six days from today. Unfortunately, as the Christian Science Monitor recently reported, there are members of the Fed Open Market Committee who still believe we should worry about an acceleration in inflation. I am just hopeful that Mr. Greenspan and others do not take this vote as a vote that they should not reduce interest rates.

A number of Senators said to me, ''Well, that's what they are going to do anyway.'' Well, I am not so certain. I hope they will. They should have reduced interest rates two years ago when I took to the floor at that time and started calling on the Fed to do that because there were drastic signs in our economy, that there was little inflation in the economy, that there was no reason for them not to reduce interest rates at that time to help our farmers and our working families out there. I just hope it is not too late. I just hope that the Federal Reserve does not misinterpret this vote.

One of the reasons that I objected to the Senator from New Mexico bringing up this other sense of the Senate that would just ask them to consider lowering interest rates is that I personally believe it is beneath our dignity and our responsibility and rights as Senators to go hat in hand to the Federal Reserve and sort of beg them to do something when we ought to be able to stand on our own two feet and tell them what we believe they should do.

I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Florida.

PRIVILEGE OF THE FLOOR

Mr. GRAHAM. Mr. President, before proceeding with my remarks, I ask unanimous consent that Ms. Allison Morgan, of my staff, be granted floor privileges during the remaining consideration of the bankruptcy reform bill.

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

FEDERAL DISTRICT COURT JUDGES

Mr. GRAHAM. Mr. President, today I rise to discuss the issue of the congressional response, or in this case, the lack of response to the need for additional Federal district court judges. We are facing an increasing disparity between the judicial resources available at many of our Federal district courts and the workload imposed upon those judges.

The question might be asked, ''Why are you offering this amendment to a bankruptcy reform bill?'' It is interesting to note that the underlying legislation would create 18 new Federal bankruptcy judgeships. The basis of those 18 new Federal bankruptcy judgeships is that this legislation is created in response to additional workloads requiring that additional number of judges in order to discharge their responsibilities.

I suggest that, similarly, we should apply the same rationale to our Federal district court judges, and that is—that as their workload increases, either because of demographic or economic or social circumstances, or because we add to their workload by expanding their jurisdiction, it is our commensurate responsibility to increase the number of Federal district judge positions. These judge positions are responsible for handling some of the most complex civil and criminal cases in our judiciary.

In recognition of that, in March of 1997, the Judicial Conference of the

United States, chaired by the Chief Justice of the U.S. Supreme Court, recommended the creation of 24 additional permanent and 12 additional temporary Federal district court positions. The Judicial Conference also recommended the establishment of 12 additional judges to the circuit courts of appeals. However, my remarks this afternoon are confined to the needs that exist with the U.S. district court judges.

Mr. BRYAN. Will the Senator from Florida yield for a question?

Mr. GRAHAM. I will yield to my friend and colleague from Nevada.

Mr. BRYAN. I appreciate the courtesy of the senior Senator from Florida.

I note from the chart the Senator has brought to the floor that the State of Nevada is included. The Judicial Conference has recommended, as I understand, two additional district court judges for Nevada. Would it be the Senator's intention to include in the amendment that he is about to discuss with greater particularity the two additional judges that were recommended by the Conference for Nevada?

Mr. GRAHAM. Absolutely, I say to my friend. I am not proposing that this Congress insert its greater wisdom for that of the Judicial Conference. I am proposing that we accede to the wisdom of the Judicial Conference and where it, for instance, has recommended two additional permanent Federal judgeships in Nevada, that the Congress should sanction them. The reason for the recommendation of two additional judges in Nevada is that, of the 93 districts, including those in the 50 States plus the District of Columbia and Puerto Rico, of that number, the Nevada district ranks eighth in terms of caseload. Its caseload of 736 cases per judge is 171 percent of the stated standard that is used by the Judicial Conference to indicate that new judges are needed.

Mr. BRYAN. I appreciate the statesmanship my friend has provided and the information that is made available with respect to the situation in Nevada. I might just add to the comments of the Senator that, having lived in Nevada for more than 57 years and knowing each of our four district court judges personally, I do not know of a harder working bench at either the State or Federal level anywhere in America. Frankly, it required considerable statesmanship of the former chief judge in Nevada in electing to take senior status, which the Senator from Florida fully understands, that allowed a new district court judge to come on board. That senior judge, together with another colleague of his who is a senior judge, maintains an extraordinarily active caseload. So that has helped but has not eliminated the backlog to which the Senator has addressed his comments.

I must say, ''justice delayed is justice denied.'' The State of Nevada has the fastest growing population in the country over the past decade. That is reflected in the litigation in the Federal court system, based not only in the demographics but other situations which I am sure the Senator will allude to. So I want to join with the Senator from Florida in calling this very important issue to the attention of our colleagues and the American people. This is not an issue about lawyers or judges per se. What we are talking about are the needs of people who have their issues brought to the Federal court system and who are entitled to have those issues resolved in a prompt manner. With respect to those who violate Federal law, they need to have those matters addressed promptly in the interests of justice for all Americans. I think the proposal the Senator is about to unveil and explain in greater detail is entitled to the support of our colleagues. I wish him well and pledge my support in his efforts.

I thank him again for his leadership on this issue.

Mr. GRAHAM. I appreciate those very generous comments of the Senator. As my colleague knows, his State is not alone. This map indicates in blue those States that have been determined by the Judicial Conference, chaired by our chief justice, to require one or more additional Federal judges in order to keep pace with that particular judicial district's workload.

The States of Alabama, California, Florida, New Mexico, North Carolina, Texas, Arizona, Colorado, Nevada, New York, Oregon and Virginia would all receive permanent additional judges under the Judicial Conference's report.

Mr. BRYAN. I thank the Senator for his comments.

Mr. GRAHAM. As an example—I see we are joined by the Senator from Alabama. The middle district of his State happens to be the seventh busiest district in the country with a workload that is 176 percent of the standard which the Judicial Conference utilizes in assessing whether an additional Federal district judge is appropriate.

Mr. SESSIONS. Will the Senator from Florida yield?

Mr. GRAHAM. I yield to the Senator from Alabama.

Mr. SESSIONS. Mr. President, I do respect the concern of the Senator from Florida. As a Federal prosecutor for almost 15 years in Alabama, which is part of the 11th circuit, of which Florida is a part—the 11th circuit, I have come to admire and be extremely impressed with the workload and work ethic of the Florida Federal judges, as well as the Alabama Federal judges. Both groups have very high caseloads, higher than the national average. I think probably the middle district of Florida, and maybe the southern district of Florida, are two of the top districts in the country in so needing additional judges. The middle district of Alabama, as you noted, has one of the very highest caseloads.

I would share, this bankruptcy bill actually reduces the workload for Federal district judges a bit by not having them handle appeals from bankruptcy. That is the only thing it really affects for Federal district judges, because bankruptcy judges are separate.

I would just want to advise the Senator from Florida, I share his concern, but I have been working with Senator GRASSLEY, who chairs this subcommittee involving courts and administrative matters. He has been studying this. We have been having some hearings from judges, particularly courts of appeals. But we have not, in depth, analyzed this problem yet. I know Senator GRASSLEY intends to.

I would like to share some things. If a business had a court like the middle district of Florida that not only has a heavy caseload—it has complicated, big drug cases, international cases—they would probably look at the D.C. circuit that has 15 judges and they average 259 cases per judge instead of 855 in Florida and they might decide the taxpayers—or their business—would be better served if we shifted some from places that are not so busy to those that are more busy. I hope we will be able to analyze that, because a Federal judgeship, once you approve it, is a lifetime appointment. They get it for life and it costs $1 million a year for each Federal judge. What we need to begin to look at is some of those circuits that need to shift some judges to high-work districts. We could do that over the years. I think Senator GRASSLEY is committed to this. I am on that subcommittee so I am concerned about it. If we do it right, we can improve justice with a minimal cost to the taxpayer. I think that is what we are called to do and I thank the Senator from Florida for raising the problem.

Mr. GRAHAM. Mr. President, I appreciate the comments of the Senator from Alabama who, from his long experience in a variety of significant legal positions, is very familiar with the basic principle of my remarks, which is the relationship between changing workload and demand on judicial resources.

The Judicial Conference has proposed as a method of balancing that workload of judicial resources—a formula. That formula essentially takes the number of cases filed within a particular Federal district, weights those cases based on their complexity, and then divides that number by the number of judges currently assigned to the district. The standard for each Federal district judge is 430 weighted cases per year. When the caseload exceeds 430, that district is entitled to be reviewed for purposes of an additional judge. These judgeships are needed to help the Federal judiciary, a co-equal branch of our Government, to fulfill its constitutional obligations. It should be understood that Congress has not granted the Federal judiciary any additional Article III judges since 1990.

During the previous three occasions on which Congress has authorized new Federal judgeships under the standards of the Judicial Conference, the cycle

for such authorization has been six years. For instance, in September of 1976, the Judicial Conference recommended 106 permanent and 1 temporary Federal district judge. Congress considered that recommendation and, on October 20, 1978, approved 113 permanent and 4 temporary judges. That was done under a Senate which was in Democratic control.

Mr. President, 6 years later, in September of 1982, the Judicial Conference recommended 43 permanent, 8 temporary, and 2 conversions from temporary to permanent. On July 10, 1984, a Republican Senate authorized 53 permanent, 8 temporary, and 2 temporary to permanent conversions.

In 1990, June, the Judicial Conference recommended 47 permanent, 29 temporary, and various conversions. Then on December 1, 1990, a Democratic Senate approved 61 permanent and 13 temporary and various conversions.

The point of this is that on a bipartisan basis, whether it was a Republican Senate or a Democratic Senate, every 6 years since 1978, the Congress has responded to the Judicial Conference's recommendation. It is also significant that in each one of those cases, the Congress actually approved more judges than the Judicial Conference had recommended.

However, the last recommendation that was made was in March of 1997, following recommendations that were unheeded in September of 1992 and in September of 1994. There were recommendations made in March of 1996 to convert a temporary judge to a permanent judge and to convert a temporary extended to a permanent status. But there have been no new judgeships created since December 1, 1990. So we are now 2 years past the point which has been the standard for the creation of new Federal judgeships as recommended by the Judicial Conference.

Mr. President, I submit that it is high time for us to respond to the need for more U.S. district court judges in accordance with the Judicial Conference's recommendation. Today, many of our district court judges are strained beyond capacity in trying to meet the increasing caseloads which they face.

For example, in 1997, the Federal judiciary saw increases in both criminal and civil cases.

The number of cases filed in the district courts increased by 24 percent.

The most significant increases occurred in drug and immigration cases, particularly, as this chart will indicate, in many of our border States which are the front lines for drug and immigration litigation.

This growth in Federal caseloads has been coupled with a growing trend by the Congress to federalize an increasing number of laws that have traditionally been considered State responsibilities. These new laws have opened our courts to more cases without the requisite judges to meet the demand. For that reason, it is essential that we take this opportunity to eliminate the disparity between resources and workload in the Federal judiciary by an expansion in the number of judges at the earliest possible time.

I do not submit my word as being final in this matter. Let me quote the December of 1997 statement by the Chief Justice of the United States Supreme Court and the Chair of the Judicial Conference, The honorable William Rehnquist. This is what the Chief Justice had to say about the current status of our Federal judiciary:

> Fiscal year 1997 saw courts of appeals and bankruptcy filings at the highest rates in history. District courts also were very busy. In addition to a small increase in civil filings, there was a five percent increase in criminal cases in 1997, producing the largest federal criminal caseload in sixty years.

The Chief Justice went on to say:

> Many factors have produced this upward spiral, including laws enacted by Congress that expand federal jurisdiction over crimes involving drugs and firearms, Supreme Court decisions, large class-action litigation, and changes in executive prosecution policies.

I think our Chief Justice's statement is a strong message to the Congress, Mr. President.

If I can illustrate what is happening on a national basis by reference to what is happening in my home State of Florida, I have seen the strain placed on the judiciary due to lack of adequate judicial resources needed to fulfill its constitutional obligations.

Two of Florida's three districts are feeling the crushing pressure of this strain. These two districts have one of the highest caseloads per judge in the Nation. Under the Judicial Conference recommendation, Florida should receive six additional judgeships that include two additional judges in the southern district of Florida, three permanent judges in the middle district of Florida, and one temporary position in the middle district.

In the southern district of Florida, the court's weighted filings stand at 590 per judgeship. This is in contrast to the average used by the Judicial Conference of 430.

In the middle district, the story is even worse. This court's weighted filing is 809 filings per judgeship, which is 88 percent above the acceptable levels the Judicial Conference has established, and is the third highest number in the Nation.

Mr. President, if I can make reference to this chart which indicates that as recently as 1990, the number of weighted cases in the middle district of Florida were 509 as against a national average of 448. At that time, the middle district was overburdened but not in a crisis situation.

By 1993, the number had increased to 729, while the national average had dropped to 417. It is significant that there were additional judges added as a result of that December 1990 act of Congress, but it took a full 3 years before the effect of those additional judges had the consequence of reducing the average in the middle district of Florida to 575. No new judges have been added since that period, and currently, at the time of the preparation of this chart, the number was 812 weighted cases per judge in the middle district. I have heard that this figure may have now grown to 855.

As a result of this, a significant case backlog has developed. Currently, the middle district has 1,200 criminal cases pending and over 6,000 cases pending on the civil side.

In response to this growing backlog of civil cases, Florida's middle district chief judge, Elizabeth Kovachevich, was forced this summer to declare a state of emergency. She closed the Federal courthouses in Jacksonville and Orlando and reassigned these district judges to work with the Tampa district judges in an aggressive targeting and disposing of the oldest pending civil cases. While such innovative measures may be effective in the short term, Congress will need to find the long-term solution of providing adequate judicial resources.

This increase in caseload is not only a problem for the Florida courts, but nationally. This chart, again, illustrates the number of States which the Judicial Conference has found additional judicial resources are required.

The southern district of California is 100 percent above acceptable levels of the Judicial Conference; the district of Arizona, 83 percent above acceptable levels. As our friend and colleague from Alabama has already spoken, the middle district of Alabama is 76 percent over acceptable levels. The western district of North Carolina, 70 percent over acceptable levels.

The caseload in all of these districts, and all the other districts the Judicial Conference has recommended for additional judgeships, only stand to get worse until Congress acts and acts with a sense of urgency.

The U.S. Federal district courts are the first line of defense for most of our citizens involved in the Federal judicial system. Most Federal cases are disposed of at the district court level. But by not acting soon, we make it harder for thousands of crime victims and civil litigants in our district courts to receive the justice which they deserve.

Mr. President, as I have indicated, I am prepared to offer my amendment to the bankruptcy bill to authorize additional Federal judgeships. Before proceeding, however, I would like to inquire as to the plans for consideration of this issue by the Judiciary Committee next year.

I wonder if my distinguished colleague from the State of Utah, chairman of the Senate Committee on the Judiciary, which has oversight on these matters, could engage me in a discussion regarding this matter.

Mr. HATCH. Mr. President, I am pleased to engage in a discussion with the distinguished Senator from Florida on the substance of this matter.

Mr. GRAHAM. Mr. President, I thank the Senator for his time.

I ask the chairman, is it his assessment that a number of Federal district court jurisdictions face a growing disparity between resources and workload?

Mr. HATCH. I agree with the view that there appears to be a workload problem facing a number of district courts in Florida and some other areas. The Senate Judiciary Committee intends to act to review the matter and where necessary provide the additional judicial resources to those jurisdictions in need, if warranted and appropriate.

Mr. GRAHAM. In my home State of Florida, I have seen the strain placed on the Judiciary due to the lack of judicial resources needed to fulfill its constitutional obligations.

Will the Senator from Utah agree to review the Judicial Conference recommendations and the need for additional judges early next year?

Mr. HATCH. As I have indicated to my colleague, I will, as the chairman of the Judiciary Committee, review this matter early next year and work with my colleague from Iowa, Senator GRASSLEY, in a good-faith effort to consider this issue early next year.

Mr. GRAHAM. I thank Senator HATCH for his support and for his work in this area critical to the State of Florida and the Nation.

I also thank the Administrative Office of the U.S. Courts for their assistance during this process.

I look forward to working with all my Senate colleagues in considering this important issue in future.

Mr. President, in our colloquy, Senator HATCH recognizes, as he has done on many previous occasions, the importance of a strong judiciary in order to meet our Government's responsibility of equal justice to all of its citizens, and indicates that it is his intention that the Judiciary Committee consider this urgent need for additional judicial resources early in the next Congress. So I will desist from offering an amendment at this time on this legislation to that effect, and look forward to working with Senator HATCH and the other members of the Judiciary Committee to see that this important responsibility of the Congress is discharged as quickly as possible.

Thank you, Mr. President.

Mr. MACK. Mr. President, I come before the Senate in support of today's colloquy regarding Federal judgeship needs in Florida. Although I was unable to participate in the colloquy between my esteemed colleagues, Senators HATCH and GRAHAM, I wish to express my support for their position. It is my hope that the Judiciary Committee will lend serious consideration to Florida's unique and acute judgeship needs.

The pressures currently upon Florida's court system, particularly in the Middle District, are some of the most severe in the nation. The Judicial Conference of the United States has recommended three permanent district judgeships and one temporary judgeship for the Middle District. This is the most judgeships recommended for any federal district in the nation.

Statistics kept by the Administrative Office of the U.S. Courts underscore the need for additional judgeships in this district. Recent statistics place Florida's Middle District second in the nation in weighted case filings per judge, with an average of 855. This is far above the national average of 519 weighted case filings per judge. It is expected that these numbers will continue to climb, given this area's explosive population growth. Although fifty-five percent of Florida's population currently resides in the Middle District, the district is home to only one-third of the state's federal judges. According to projected population growth figures, the Middle District will comprise two-thirds of the state's population by the year 2005.

The Middle District contains some of the world's most frequently visited cities, beaches and tourist attractions, including Disney World in Orlando and Busch Gardens in Tampa. The heavy flow of both tourists and the ''snowbird'' population serve to make the needs of this judicial district unique.

Adding to this problem, what will be the nation's largest federal prison, the Coleman Prison Complex, is scheduled to be completed in 1999 in the Middle District. This will place an additional strain on the already overburdened courts of this district due to increased prisoner petitions. Further complicating the problem, a portion of the Middle District has recently been designated a High Intensity Drug Trafficking Area. An increase in drug cases will result as criminals are apprehended and prosecuted, placing additional demands upon this district.

It is not possible to provide Floridians with a safe environment and access to justice unless there is a court system in place which can handle the demands of this dynamic and growing part of our country. Increased judicial resources are integral in providing such a court system.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. ROBERTS). The distinguished Senator from Iowa is recognized.

Mr. GRASSLEY. I listened to everything that the Senator from Florida has said and of course, have had to be considering the points of view that he makes, as well as a lot of my colleagues, and will be happy to continue working with him.

Mr. President, my subcommittee has been looking at the need for increased or decreased numbers of judges across the country.

I've been looking at the middle district of Florida for some time, and have corresponded and met with the chief judge.

At this time, I am still not clear on what the needs of the district are or how its caseload is being managed. For instance, how are the many senior judges in the district helping with the caseload? I asked the chief judge this, and all I got were the judges certification papers that didn't say much of anything about caseload. It mostly mentioned what conferences they attended. I would ask the proponents to explain to us how the senior judges and magistrates help in reducing the caseload? Do the proponents realize that the senior judges in the middle district don't even take full cases?

Nevertheless, I will continue working with my colleagues regarding judgeship needs. I will soon be releasing a subcommittee report on our efforts to review the circuit courts.

The bottom line I've been advocating is that if we increase judges, we need to also decrease judges where they're not needed. I know this is a new concept, and one that has been met with some resistance. But, I intend to continue this effort in the next Congress.

AMENDMENT NO. 3617 TO AMENDMENT NO. 3559

Mr. GRASSLEY. Mr. President, I send to the desk the manager's amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 3617 to amendment No. 3559.

Mr. GRASSLEY. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . TREASURY DEPARTMENT STUDY REGARDING SECURITY INTERESTS UNDER AN OPEN END CREDIT PLAN.

(a) Within 180 days of the enactment of this Act, the Federal Reserve Board in consultation with the Treasury Department, the general credit industry, and consumer groups, shall prepare a study regarding the adequacy of information received by consumers regarding the creation of security interests under open end credit plans.

(b) FINDINGS.—This study shall include the Board's findings regarding:

(1) whether consumers understand at the time of purchase of property under an open end credit plan that such property may serve as collateral under that credit plan;

(2) whether consumers understand at the time of purchase the legal consequences of disposing of property that is purchased under an open credit plan and is subject to a security interest under that plan; and

(3) whether creditors holding security interests in property purchased under an open end credit plan use such security interests to coerce reaffirmations of existing debts under section 524 of the United States Bankruptcy Code.

In formulating these findings, the Board shall consider, among other factors it deems relevant, prevailing industry practices in this area.

(c) DISCLOSURE RECOMMENDATIONS.—This study shall also include the Board's recommendations regarding the utility and practicality of additional disclosures by credit card issuers at the time of purchase regarding security interests under open end credit plans, including, but not limited to:

(1) disclosures of the specific property in which the creditor will receive a security interest;

(2) disclosures of the consequences of nonpayment of the card balance, including how the security interest may be enforced; and

(3) disclosures of the process by which payments made on the card will be credited with respect to the lien created by the security contract and other debts on the card.

(d) The Board shall submit this report to the Senate Committee on the Judiciary, the Senate Committee on Banking, Housing, and Urban Affairs, the House Committee on the Judiciary, and the House Committee on Banking and Financial Services within the time allotted by this section.

Insert at an appropriate place:

Section 546 of title 11, United States Code, is amended by inserting at the end thereof—

''(I) Notwithstanding section 545(2) and (3) of this title, the trustee may not avoid a warehouseman's lien for storage, transportation or other costs incidental to the storage and handling of goods, as provided by Section 7–209 of the Uniform Commercial Code.''

Insert at an appropriate place:

Section 330(a) of Title 11 is amended:

(1) in subsection (3)(A) after the word ''awarded'', by inserting ''to an examiner, Chapter 11 trustee, or professional person'', and

(2) by adding at the end of subsection (3)(A) the following:

''(3)(B) In determining the amount of reasonable compensation to be awarded a trustee, the court shall treat such compensation as a commission based on the results achieved.''

On page 59 of amendment 3595, after clause ''(v)'', insert:

''(vi) not unfair because excessive in amount based upon the value of the collateral.''

On page 60 of amendment 3595, after clause ''(iii)'' insert:

''(iv) the following statement: If your current rate is a temporary introductory rate, your total costs may be higher.''

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 3617) was agreed to.

DEFINITION OF HOUSEHOLD GOODS

Mr. DODD. Mr. President, a provision of this bill that the Senator from Illinois and I drafted and had put into the Managers' Package would require the Federal Trade Commission to promulgate regulations to define household goods ''in a manner suitable and appropriate for cases under Title 11 of the U.S. Code.'' What would be ''suitable and appropriate'' in the bankruptcy context?

Mr. DURBIN. The Federal Trade Commission should keep in mind that the definition will define the household goods that a debtor may keep after the bankruptcy, as part of the debtor's fresh start. The defining regulations should specify any tangible personal property reasonably necessary for the support of the debtor and the debtor's dependents.

Mr. DODD. May I add something?

Mr. DURBIN. Certainly.

Mr. DODD. My concern with the definition is particularly for children, and is about personal property of little value to creditors. Would you agree that the Federal Trade Commission should promulgate regulations that will allow debtors to keep property that is commonly used by children or commonly used for the upbringing of children?

Mr. DURBIN. Are you talking about items like bicycles or toys or washing machines?

Mr. DODD. Yes. A debtor's child and parent should be allowed to keep these items. Children's property generally has no resale value, but replacement costs can be substantial.

Mr. DURBIN. I would agree. Similarly, I believe the Federal Trade Commission should keep in mind that when we talk about a dependent of the debtor we are referring to people like an elderly parent or relative, or a disabled person. Property belonging to a dependent elderly or disabled person should also figure into the definition.

Moreover, I would note that although some members of the Judiciary Committee have tried to tell the FTC what to do, this provision ultimately leaves the decision in the hands of the FTC. We have never had hearings or conducted any inquiry whatsoever into what household goods are necessary or appropriate in bankruptcy. The point of this provision is to ask the FTC to make the necessary inquiries and provide a suitable definition. As the lead Democratic co-sponsor of this bill, as the author of this provision—which I proposed during the Committee debate—and as the ranking member on the Subcommittee with jurisdiction over the bankruptcy code, I believe the FTC is much better suited to do this than we. In addition, I would note that the definition of dependent must be drawn from the bankruptcy code itself in order for any FTC definition to be at all meaningful or useful.

Mr. DODD. As the co-author of this provision, I concur.

Mr. DURBIN. Let me take this opportunity to compliment the distinguished Senator from Connecticut for all of his hard work on this issue. He identified the unique problems of children in bankruptcy before anyone else, and no one has worked harder on this problem than he. We both had different approaches to the household goods issue, and the provision in this bill blends our two approaches.

Mr. DODD. And I think we have achieved a sensible result. In light of the fact that we have taken no testimony on this issue and have no real expertise in this area, it only makes sense to have the FTC attempt to craft a definition. I compliment the Senator from Illinois for his efforts. It has been a pleasure working with him.

PATENT REFORM LEGISLATION AMENDMENT

Mr. HATCH. Mr. President, let me take a moment to speak about an amendment that has not been discussed in the last several days. Under the unanimous-consent agreement, I am permitted and had planned to offer a scaled-down version of broadly supported and bipartisan patent reform legislation, which was favorably reported to the Senate by the Judiciary Committee more than a year ago. Nevertheless, having spoken with the majority leader, and in the interest of expediting activity on pending Senate business, I have agreed to withhold my amendment.

But I want to take a moment to clarify why I believe this amendment is so important. In short, the provisions of this amendment represent the most important and most comprehensive reforms to our nation's patent system in nearly half a century. In the last 50 years, our nation has witnessed an explosion of technology growth and a tremendous expansion of the global market for American intellectual property. Yet our patent laws have remained largely unchanged. My bill would effect those changes that are necessary to bring our patent system up to speed with the growing demands of the global economy, to preserve American competitiveness into the 21st century, and to ensure adequate protection for American innovators, both at home and abroad.

In all, there have been nine days of hearings and 78 witnesses who have testified in the House and Senate on the provisions of this legislation. Seventeen of those witnesses appeared before the Senate Judiciary Committee. In addition, I have engaged in endless negotiations to address concerns regarding the effect of the bill on small businesses and independent inventors. The result of that process was a comprehensive package of amendments that was endorsed by the Judiciary Committee, including several outspoken opponents of the original bill, in an overwhelming bipartisan 17–1 vote last year. Since then, I have sought a vote on the Senate floor for this legislation, thus far without success.

The failure to bring this bill to a vote in the Senate has largely been the result of the opposition of a very few Senators who have objected to even its consideration by the full Senate. Over the past year, I have made numerous additional changes to the bill in an attempt to address their concerns. As a result of those changes, the bill now enjoys even broader support, ranging from the smallest of American entrepreneurs and innovators to Fortune 100 companies. It is endorsed by the small business community, as well as by the experts on the subject, including 5 of the past 6 commissioners of the Patent and Trademark Office and thousands of patent practitioners and patent owners. Unfortunately, despite my efforts, and despite this broad support, a vocal minority, which apparently opposes any patent reform, continues to object this bill. Repeated invitations to sit

down with them to fashion a reasonable accommodation have been rejected.

Mr. President, at some point, the interests of inventors, the continued strength of our intellectual property base, consumers, and an overwhelming majority of the Senate must prevail over the interests of the few who would oppose any patent reform. I believe that this legislation must be debated and real patent reforms enacted if America is to retain its competitive edge into the next century.

In acceding to the majority leader's request to refrain from exercising my rights in offering this bill as an amendment to the bankruptcy bill, I am relying on his assurance that this patent reform legislation will be brought up for floor consideration and a vote early next year, with the expectation being that we complete action on the measure prior to March 1999. I would reiterate my willingness and desire to work with my colleagues to resolve any outstanding concerns, and I hope any Senator who still has genuine concerns with this bill will take me up on my offer.

I look forward to working with my colleagues and to seeing reasonable patent reforms enacted by the Senate next year.

DRUNK-DRIVING VICTIMS

Mr. LAUTENBERG. Mr. President, I would like to commend the authors of this legislation, Senators DURBIN and GRASSLEY, for their efforts on this legislation and their acceptance of my amendment which will help prevent drunk drivers from escaping the debts they owe to their victims by filing for bankruptcy.

As my colleagues know, Congress has always worked in a bipartisan way when working to protect the victims of drunk-drivers under the Bankruptcy Code. In 1984, Congress passed the Bankruptcy Amendments and Federal Judgeship Act of 1984 which contained provisions to prevent drunk drivers from avoiding their debts to victims by filing for bankruptcy under Chapter 7. Although that Act closed a loophole in Chapter 7 of the Bankruptcy Code, drunk drivers began to file for bankruptcy under Chapter 13. Consequently, in 1990, Congress passed another measure to protect drunk-driving victims under Chapter 13.

As originally drafted, S. 1301 contained a number of provisions that would have diluted the ability of drunk-driving victims to receive damages. Consequently, I drafted an amendment designed to ensure that victims would be paid for their injuries when the drunk driver filed for bankruptcy. Additionally, the amendment extended protections to victims of drunk boaters. The Coast Guard reports that drunk boating continues to be a problem with more than 200 fatalities in some years, and I thought it was important that irresponsible boaters not be able to escape liability by filing for bankruptcy.

I am pleased that Senators DURBIN and GRASSLEY have incorporated my amendment into the managers' amendment. I appreciate their efforts and cooperation. We must ensure that the victims of drunk drivers and drunk boaters are protected in bankruptcy and I urge the conferees to make this issue a priority when working out differences with the House bill.

Mr. LEAHY. Mr. President, I urge my colleagues to support the Consumer Bankruptcy Reform Act, S. 1301. Senator DURBIN and Senator GRASSLEY have worked together to mold a bipartisan bill that seeks to correct abuses in the bankruptcy system while preserving access to it for honest debtors. Every American agrees with the basic principle that debts should be repaid. The vast majority of Americans are able to meet their obligations. But, for those who fall on financial hard times, bankruptcy should be available in a fair and balanced way.

Unfortunately, more and more Vermonters and more and more Americans are filing for bankruptcy. The numbers are disturbing. While the unemployment rate keeps going down and inflation remains low, the nation's personal bankruptcies keep going up. Thus, this rise in bankruptcy filings has occurred at the same time that we enjoy a robust economy. If fact, Vermont's unemployment rate hit a 10-year low just the other day. Vermont's personal bankruptcy rate increased by about 40 percent for each of the last two years.

Still, Vermont was ranked next to last among the 50 states in personal bankruptcy filings last year. In most other states, personal bankruptcy rates increased even more dramatically while unemployment rates declined. I do not know all the answers why more and more Americans are filing for bankruptcy. I think some may be abusing the system. I think most are not. My guess is that stagnant wages and more consumer credit card debt are the primary reasons.

Where there are abuses in the bankruptcy law, we should move to correct them. I believe that this bill does that by establishing standards for bankruptcy judges to consider with respect to Chapter 7 and 13 filings and by discouraging bad-faith repeat filings. This bill also includes better bankruptcy data collection procedures so that we can learn more about the root causes of the recent rise in bankruptcy filings. Accurate data will also allow us to better evaluate the impact of this reform legislation.

But we must also remember that bankruptcy serves as a safety net for many of our constituents. Those who use bankruptcy are the most vulnerable of the American middle class. They are older Americans who have lost their jobs or are unable to pay their medical debts. They are women attempting to raise their families or secure alimony and child support after a divorce. They are individuals struggling to recover from unemployment. This bankruptcy reform bill protects them.

As we move forward with reforms that are appropriate to eliminate abuses in the system, we need to remember the people who use the system, both the debtor and the creditor. We need to balance the interests of creditors with those of middle class Americans who need the opportunity to resolve overwhelming financial burdens.

Unfortunately, the House-passed consumer bankruptcy reform bill requires an arbitrary means testing of debtors to be eligible for Chapter 7 filings. Many bankruptcy practitioners and bankruptcy judges predict that the radical means-testing requirements in the House bill would swamp the bankruptcy process with a flood of new litigation over a debtor's filing status. Indeed, the Congressional Budge Office estimates that H.R. 3150 would cost taxpayers up to $16 million a year for new bankruptcy judges and other court administrative expenses. Moreover, CBO estimates that the House bill would impose new private sector mandates, as defined in the Unfunded Mandates Reform Act, of at least $100 million on our economy. We need balanced bankruptcy reform, not more unfunded mandates and costs to taxpayers.

The House bankruptcy reform bill also fails to adequately protect our most vulnerable citizens—our children. More than one-third of the one million annual bankruptcies involve spouse and child support orders. But the House bill proposes profound changes to the bankruptcy code for spouse and child support obligations by placing them on a equal footing with some consumer debt. As a result, custodial parents and ex-spouses may have to fight in court against the deep pockets of corporate lenders with little chance of success. This is unacceptable for America's children.

I believe that the Senate version of the Consumer Bankruptcy Reform Act, S. 1301, carefully balances the competing interests of debtors and creditors. The bankruptcy reform bill passed by the House of Representatives, H.R. 3150 is not a balanced piece of legislation. The Administration has promised a veto if the House bill were to be adopted by Congress.

I have already spoken to the other Senators who will serve on a House-Senate bankruptcy reform conference about holding firm to the Senate bill in conference. If we want to enact balanced bankruptcy reforms into law this year, the Senate bill is that measure. If this Congress wants to enact consumer bankruptcy reforms into law, then the conference report must be along the lines of S. 1301. I am glad to report that a majority of the Republicans who will serve on the conference with Senator DURBIN and me agree. I expect that we will strongly support the Senate position and prevail in conference.

I hope that the Senate will adopt this bipartisan bill that corrects the abuses in the bankruptcy system without unfairly penalizing women and children

who depend on child support and alimony, as well as older Americans and small business owners.

I want to take a moment to commend Senator DURBIN for his leadership and for working to reform our bankruptcy system in a fair and balanced manner. Senator DURBIN has served as a most effective manager of this important measure. He has been informed and exercised good judgment at every turn. He has met every challenge and maintained the bipartisanship that made this possible. Without his extraordinary efforts, there would be no bankruptcy reform legislation being considered for final passage by the Senate.

I also commend Senator GRASSLEY. I know that is has not always been easy for him to keep this legislation on course. I know that some in his caucus have criticized his efforts to be fair and to continue to work in a bipartisan fashion. I am glad that he did not succumb to that bad advice. Senator GRASSLEY and I have worked together for many years. We agree on many things and we have disagreed on some. I congratulate him for his outstanding efforts as the principal author, subcommittee chairman and floor manager of this bill. He has done a fine job and created a measure for which he deserves our thanks. In this effort I have tried to be constructive—even foregoing offering an important amendment to this particular bill, at Senator HATCH's request.

I also want to applaud the work of the staff on the Senate Judiciary Committee principally responsible for this bill: Victoria Bassetti and Anne McCormick with Senator DURBIN, and Kolan Davis and John McMickle with Senator GRASSLEY. Each worked hard on this very complex issue and helped craft a fine piece of bipartisan legislation. They were here late into many nights and worked ceaselessly for the public interest.

I urge my colleagues to support S. 1301, the Consumer Bankruptcy Reform Act. It is a bill that the Senate should pass.

Mr. FEINGOLD. Mr. President, although I object to numerous provisions in the underlying bill, S. 1301, the Consumer Bankruptcy Reform Act, I was pleased to work with the Chairman and Ranking Member to include provisions important to the farmers of this country.

Mr. President, everyone knows that family farming is a high risk business. One that's effected more by outside, unanticipated forces—for example, unstable markets, weather, and disease—than any other industry. To survive in such a volatile vocation, farmers are often given a bit of flexibility. This flexibility is the key to the survival of most family farms.

Unfortunately, some farmers become overburdened by the financial hazards associated with the business and seek assistance in dealing with their creditors. In 1986, Senator GRASSLEY added Chapter 12 to the bankruptcy code to satisfy the unique risks and needs of family farmers. Prior to that, farmers were forced to file for bankruptcy under Chapter 11, the Small Business specific Chapter.

Although Chapter 12 has provided much needed relief for hundreds of family farmers, through the years, Chapter 12 has become outdated; its definitions, eligibility requirements and other provisions have not kept pace with changes in agriculture or in the nation's economy. Most disturbingly, the out of date eligibility requirements of this provision have excluded many who need it most and forced many farmers into Chapter 11.

I was pleased that three amendments I authored with Senators CONRAD and Bob KERREY were accepted by Senators GRASSLEY and DURBIN and included in the manager's amendment. Two of these provision change the eligibility requirements of Chapter 12 to include those originally intended under the 1986 statute.

One provision indexes the Chapter 12 debt limit. The current maximum debt limit on Chapter 12 is $1,500,000. This limit has not been changed since the 1986 law took effect, while most other Code dollar figures have been increased for inflation and will have automatic adjustments in the future. At this point, the debt limits exclude many farmers for whom Chapter 12 was originally intended.

A second eligibility problem had been the requirement that more than 50% of a farm family's taxable income for the prior year came from a farming operation. Farm families, expecting low return on their commodities, usually seek off-farm employment for one of the household adults. A few years of low prices and negligible farm income would make many farmers ineligible under this provision. Current law assumes that farmers throw in the towel after just one bad year. I cannot think of one Wisconsin farmer that gives up that easily. They keep working and hope for better markets next year. My provision changes this requirement so that farmers have a bit more flexibility. More specifically, my amendment will allow the 50% income requirement can be satisfied in any of the past three years.

The last provision simply prohibits retroactive assessment of disposable income by the courts. To have a payback schedule confirmed by the bankruptcy courts, a debtor in Chapter 12 must commit projected disposable income—over and above living expenses, operating expenses and secured debt payments—to pay unsecured debtors. Some courts have started ''adjusting'' these payments upward in hindsight, if the debtor's income was greater than projected. My amendment will make Chapter 12 consistent with Chapter 13 and prohibit the retroactive assessment and instead modifies the coming year's payment schedule to reflect the additional income.

Again, Mr. President, I wish to thank Senators KERREY, CONRAD, GRASSLEY and DURBIN for their work on these amendments. It will give family farmers across the country the flexibility they need to make good on their debts.

Mr. WELLSTONE. Mr. President, there is no doubt that more and more Americans are turning to the consumer bankruptcy system and the financial protection it offers. More than 1.3 million families filed for bankruptcy last year. Where there is fraud and abuse we must take steps to reduce and eliminate it. But this bill will not help reduce fraud. It will encourage riskier lending habits by credit companies. It will lead to more credit being extended to poor families. It will ensure that those families will file more bankruptcies. It will force these families to file different types of bankruptcies, the kind of bankruptcy that ensures that they will never be free of their debt and able to restart their lives.

This is a complex issue and I must provide some background in order to explain my stance. There are two types of bankruptcies that individuals can file: Chapter 7 and Chapter 13. Under current law, individuals can choose either type. Chapter 7 bankruptcy allows debtors to discharge all their debt (besides child support, taxes, home loans, and student loans). Chapter 13 bankruptcies discharge no debt, but allow debtors to bargain directly with their creditors on reduced debt and payment schedules. Under the bill we passed today, Chapter 7 bankruptcies, which have provided a new start to millions of families over the years, will become a thing of the past. First of all, a judge now will have discretion to reject a debtor's Chapter 7 claim, and require her to file under Chapter 13, if it can be proven that the debtor has the ability to pay off 30% of her debt over the next five years. Secondly, any of the debtor's creditors can enter the court—without legal counsel—and require the court to make a judgement as to whether the debtor can afford this 30%. Thirdly, if the judge believes that the debtor can pay off this 30%, the debtor's attorney—and this is unheard of in the law to date—will be forced to pay the cost of the Chapter 13 Trustee. This is a hugely expensive tax on bankruptcy attorneys and they will certainly avoid taking on new Chapter 7 bankruptcies.

The truth is that this bill treats all debtors as likely criminals. Yes, bankruptcies in this country are up. But debtors now wait longer to file bankruptcy and are deeper in debt than those who filed bankruptcy a decade ago. Furthermore, increased filings can be attributed to job loss, divorce, increasing health care costs, declining real wages—and most importantly—an entire industry of easy credit which ten years ago did not exist in any where near today's scale.

Harvard Business School researchers David Moss and Gibbs Johnson state ''the evidence suggests that shifts in

the volume of and distribution of consumer credit—rather than declining stigma [of bankruptcies]—are the most likely sources of the recent surge in consumer filings.'' They add that the surge of filings that began in the late 1980s can be attributed to ''consumer creditors [which] began reaching substantially further down into the income distribution beginning in the mid 1980s.'' It should also be noted that credit-card mail solicitations have skyrocketed, from 3.1 million mail solicitations in 1996 to over 881 million mail solicitations in 1997. Yet it is this consumer credit industry that benefits most from this bill; because it is this industry that will use this bill to prevent individuals from discharging their credit card debt. Simply put, this bill will increase the amount of money that credit card companies would receive from low-income bankrupt debtors. Meanwhile, opponents argue that sophisticated individuals with good legal advice will be able to get around the bill's new changes (as is often the case with financial laws).

Who will benefit from this bill? I will quote Senator Metzenbaum, Public Citizen, and Consumers Union: ''The only reason we're having this debate is because the credit industry, primarily the credit card industry, has spent well-orchestrated millions on ads and lobbyists demonizing American families in crisis.'' Even the title of a Wall Street Journal article says it all: ''As Bankruptcies Surge, Creditors Lobby Hard to Get Tougher Laws; But Whether Many People Shirk Bills They Can Pay Remains Open To Debate; Changing the Lender's Image.'' I quote from that article: ''As the legislation moves quickly through Congress, many academics, lawyers, and judges who specialize in bankruptcy question why. A government-appointed commission spent two years studying the matter and was deeply divided. Five of its nine members found no major abuse of the system or need for a crackdown: only two endorsed anything like the bills Congress is embracing. More than 100 jurists wrote lawmakers to urge them to slow down.* * * A major reason [for the bill]? A multi-million public-relations and lobbying blitz run largely by companies with the most to gain: credit card issuers and other lenders.''

Who will suffer under this bill? When job loss, divorce, or medical emergency strike, some families have no choice but to file for bankruptcy in order to stabilize themselves. Divorced women file for bankruptcy in greater proportions than divorced men. Victims of abuse file for bankruptcy, often from debt incurred entirely by those who abused them. Single parents are forced into bankruptcy after any substantial period of unemployment. African Americans and Hispanics are dramatically over-represented in bankruptcy. With health insurance in its current state, families that suffer even one major medical emergency often find themselves in need of bankruptcy protection. But this bill responds to the need of these families by basically reinstituting life-long debtor's prison. All to the benefit of easy-credit companies. I could not in good conscience support this bill.

Mr. KOHL. Mr. President, the dramatic rise in bankruptcies is very troubling, regardless of whether the blame lies with credit card companies, a culture that disparages personal responsibility, the bankruptcy code or, most probably, with all of the above. While none of us wants to return to the era of ''debtors' prison,'' we need to do something to reverse this trend.

But true ''reform'' will only occur if we prevent the most egregious abuse of the bankruptcy laws—misuse of the homestead exemption. And we will only have true reform if we target other abuses without overburdening the vast majority of debtors who truly need—and deserve—relief. And, true reform also requires a balanced approach that targets abusive practices by creditors as well as by debtors.

That is why I intend to vote for this bill. It does all three: prevents the most egregious abuses by capping the homestead exemption, uses ''means testing'' to deter other serious abuses without placing unfair burdens on honest debtors, and requires credit card companies to disclose the information consumers need to make intelligent choices.

In particular, let me focus on the cap on the homestead exemption that Senator SESSIONS and I introduced in subcommittee. This proposal, which was adopted by a unanimous 7–0 vote in subcommittee and was unanimously reaffirmed on the floor through a Sense of the Senate resolution, closes a loophole that allows too many debtors to shield their assets in luxury homes, while their creditors get left out in the cold. Currently, a handful of states allow debtors to protect their homes no matter how high their value. And time after time, millionaire debtors move to states with unlimited exemptions, like Florida and Texas, declare bankruptcy—yet continue to live like kings while their creditors get little or nothing. If we want to restore the stigma attached to bankruptcy, these high profile abuses are the best place to start.

Our proposal is simple and effective. It caps at $100,000 the maximum homestead exemption that an individual filing bankruptcy can claim. With the cap in place, bankrupt debtors will retain their right to a roof over their heads, but not to luxury accommodations.

I am concerned, however, that if this homestead cap is dropped in Conference, the President will veto the bill. That is, if it reaches him, because if the cap is removed, I'll filibuster the Conference Report myself.

But since all of the conferees support the homestead cap provision, and since the Senate has now gone on record as saying that the ''cap'' is ''essential to meaningful bankruptcy reform,'' I am confident that we won't have to go that route.

Mr. President, when people talk about bankruptcy abuse, the notion of stashing cash in a lavish Florida home is the first thing they think about. And that's not surprising. To borrow a phrase from Bill Bennett, Congress needs to act responsibly to put ''a death to this outrage.''

Overall, I commend Senators GRASSLEY and DURBIN for their hard work and close collaboration. I look forward to a final product that continues tackling the worst abuses, while still helping honest debtors.

Mr. REED. Mr. President, I voted in favor of S. 1301, the Consumer Bankruptcy Reform Act of 1998, to address certain abuses regarding consumer bankruptcy laws, while providing bankruptcy protection to those who genuinely need it. Indeed, in recent years, there have been record increases in bankruptcy filings. In 1997 alone there were 1.3 million bankruptcy filings—an all-time high. While I think this increase is in part a result of the significant rise in outstanding consumer credit, I believe it is also attributable to the reduced stigma associated with filing for bankruptcy. As such, I believe that S. 1301 will be an important tool in curtailing irresponsible debtor practices.

The version of S. 1301 passed by the Senate is the product of significant compromise by both Democrats and Republicans and is much-improved over the Judiciary Committee-passed bill. I am pleased that my amendments prohibiting certain credit card terminations, limiting consumer debit card liability, and providing greater disclosure for ''high LTV'' loans were adopted by the Senate. Nonetheless, I am concerned about the means-testing provisions in the bill and would be inclined to oppose the Conference Report if the means-testing provisions are made mandatory or if consumer credit protections are deleted.

S. 1301 signifies a fundamental change in bankruptcy policy by establishing a system of means testing for determining eligibility for Chapter 7 relief. Heretofore, debtors have had the power to determine the type of bankruptcy relief to be sought, regardless of their ability to repay. S. 1301, however, gives a bankruptcy judge the discretion to convert a Chapter 7 case to Chapter 13 upon a motion by the creditor, if the debtor can afford to repay 30 percent of his or her debts.

My concern with the provision is that it does not contemplate whether the creditor acted responsibly and in good faith in extending credit to the debtor. Statistics showing that household debt has increased to 104 percent of household income, as compared to 24 percent in 1975, suggests that some creditors may be irresponsibly extending credit. In response to my concerns, I offered an amendment to the bill that would have required creditors to act in

good faith in their dealings with debtors. Unfortunately, this amendment did not pass.

Despite my concerns with the means testing provision, I was able to support the bill because the means testing provision does not require the judge to convert a case to Chapter 13, but instead gives the judge discretion. If the Conference Report eliminates this judicial discretion and incorporates the House-passed means testing provision that requires conversion, I would have a difficult time supporting the Conference Report.

Lastly, my support for S. 1301 was in part predicated on the significant consumer credit protections incorporated in the bill. For example, the bill includes an amendment that I offered that would prohibit credit card companies from terminating a consumer's account simply because the consumer paid his or her bill in full each month. This is a detestable practice which flies in the face of the goals being promoted in S. 1301. If this provision, or other such provisions are not included in the Conference Report, I would seriously consider opposing the Conference Report.

Mr. GRAMS. Mr. President, on July 6th, the Federal Financial Institutions Examination Council (FFIEC), published for public comment in the Federal Register, its proposed changes to its Uniform Policy for Classification of Consumer Installment Credit Based on Delinquency Status. FFEIC is on the verge of adopting the changes in the proposals, with or without modifications based on the public input they received. I would like to ask my distinguished colleague, the Senator from Iowa whether the bankruptcy reform legislation currently before the Senate would significantly affect the agency's policy guidelines? My concern is that shortly after the FFIEC's new guidelines are adopted, it will have to rewrite them, according to the new bankruptcy reform legislation.

Mr. GRASSLEY. That is correct. If the bill before us is enacted this fall, it will have a substantial impact upon creditors' recovery in many consumer bankruptcy cases. It will take some time to evaluate the full impact of the new law.

Mr. GRAMS. Accordingly then, it is my view that the FFIEC should delay implementing any changes to its Uniform Policy for Classification of Consumer Installment Credit Based on Delinquency Status until it is clear whether and in what final form the bankruptcy reform is enacted.

Mr. GRASSLEY. I would agree with my colleague from Minnesota and urge FFIEC to delay implementing changes to its Uniform Policy for Classification of Consumer Installment Credit Based on Delinquency Status, in light of the pending bankruptcy reform legislation.

The PRESIDING OFFICER. Are there further amendments?

If there are no further amendments, the question is on agreeing to the substitute amendment, as amended.

The substitute amendment (No. 3559), as amended, was agreed to.

Mr. GRASSLEY. I move to reconsider the vote.

Mr. DURBIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the reported committee substitute amendment, as amended.

Without objection, the committee substitute amendment, as amended, is agreed to.

The committee substitute amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. GRASSLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. If the Senator would withhold for a moment.

Under the previous order, the Senate will now proceed to the House companion bill, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3150) to amend title 11 of the United States Code, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Under the previous order, all after the enacting clause of H.R. 3150 is stricken and the text of S. 1301, as amended, is inserted in lieu thereof.

The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

Mr. GRASSLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill, as amended, pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Virginia (Mr. WARNER), is necessarily absent.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN), is necessarily absent.

The PRESIDING OFFICER (Mr. THOMAS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 284 Leg.]

YEAS—97

Abraham	Baucus	Bond
Akaka	Bennett	Boxer
Allard	Biden	Breaux
Ashcroft	Bingaman	Brownback
Bryan	Grams	McConnell
Bumpers	Grassley	Mikulski
Burns	Gregg	Moseley-Braun
Byrd	Hagel	Moynihan
Campbell	Harkin	Murkowski
Chafee	Hatch	Murray
Cleland	Helms	Nickles
Coats	Hollings	Reed
Cochran	Hutchinson	Reid
Collins	Hutchison	Robb
Conrad	Inhofe	Roberts
Coverdell	Inouye	Rockefeller
Craig	Jeffords	Roth
D'Amato	Johnson	Santorum
Daschle	Kempthorne	Sarbanes
DeWine	Kennedy	Sessions
Dodd	Kerrey	Shelby
Domenici	Kerry	Smith (NH)
Dorgan	Kohl	Smith (OR)
Durbin	Kyl	Snowe
Enzi	Landrieu	Specter
Faircloth	Lautenberg	Stevens
Feingold	Leahy	Thomas
Feinstein	Levin	Thompson
Ford	Lieberman	Thurmond
Frist	Lott	Torricelli
Gorton	Lugar	Wyden
Graham	Mack	
Gramm	McCain	

NAYS—1

Wellstone

NOT VOTING—2

Glenn Warner

The bill (H.R. 3150), as amended, passed as follows:

Resolved, That the bill from the House of Representatives (H.R. 3150) entitled ''An Act to amend title 11 of the United States Code, and for other purposes.'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Consumer Bankruptcy Reform Act of 1998''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—NEEDS-BASED BANKRUPTCY

SEC. 101. CONVERSION.

Section 706(c) of title 11, United States Code, is amended by inserting ''or consents to'' after ''requests''.

SEC. 102. DISMISSAL OR CONVERSION.

(a) IN GENERAL.—Section 707 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

''§ 707. Dismissal of a case or conversion to a case under chapter 13'';

and

(2) in subsection (b)—

(A) by inserting ''(1)'' after ''(b)''; and

(B) in paragraph (1), as redesignated by subparagraph (A) of this paragraph—

(i) in the first sentence—

(I) by striking ''but not'' and inserting ''or''; (II) by inserting '', or, with the debtor's consent, convert such a case to a case under chapter 13 of this title,'' after ''consumer debts''; and

(III) by striking ''substantial abuse'' and inserting ''abuse''; and

(ii) by striking the last sentence and inserting the following:

''(2) In considering under paragraph (1) whether the granting of relief would be an abuse of the provisions of this chapter, the court shall consider whether—

''(A) under section 1325(b)(1), on the basis of the current income of the debtor, the debtor could pay an amount greater than or equal to 30 percent of unsecured claims that are not considered to be priority claims (as determined under subchapter I of chapter 5); or

''(B) the debtor filed a petition for the relief in bad faith.

''(3)(A) If a panel trustee appointed under section 586(a)(1) of title 28 brings a motion for dismissal or conversion under this subsection and the court grants that motion and finds that the action of the counsel for the debtor in filing under this chapter was not substantially justified, the court shall order the counsel for the debtor to reimburse the trustee for all reasonable costs in prosecuting the motion, including reasonable attorneys' fees.

''(B) If the court finds that the attorney for the debtor violated Rule 9011, at a minimum, the court shall order—

''(i) the assessment of an appropriate civil penalty against the counsel for the debtor; and

''(ii) the payment of the civil penalty to the panel trustee or the United States trustee.

''(C) In the case of a petition referred to in subparagraph (B), the signature of an attorney shall constitute a certificate that the attorney has—

''(i) performed a reasonable investigation into the circumstances that gave rise to the petition; and

''(ii) determined that the petition—

''(I) is well grounded in fact; and

''(II) is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law and does not constitute an abuse under paragraph (1) of this subsection.

''(4)(A) Except as provided in subparagraph (B), the court may award a debtor all reasonable costs in contesting a motion brought by a party in interest (other than a panel trustee or United States trustee) under this subsection (including reasonable attorneys' fees) if—

''(i) the court does not grant the motion; and

''(ii) the court finds that—

''(I) the position of the party that brought the motion was not substantially justified; or

''(II) the party brought the motion solely for the purpose of coercing a debtor into waiving a right guaranteed to the debtor under this title.

''(B) A party in interest that has a claim of an aggregate amount less than $1,000 shall not be subject to subparagraph (A).

''(5) However, only the judge, United States trustee, bankruptcy administrator or panel trustee may bring a motion under this section if the debtor and the debtor's spouse combined, as of the date of the order for relief, have current monthly total income equal to or less than the national median household monthly income calculated on a monthly basis for a household of equal size. However, for a household of more than 4 individuals, the median income shall be that of a household of 4 individuals plus $583 for each additional member of that household.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 7 of title 11, United States Code, is amended by striking the item relating to section 707 and inserting the following:

''707. Dismissal of a case or conversion to a case under chapter 13.''.

TITLE II—ENHANCED PROCEDURAL PROTECTIONS FOR CONSUMERS

SEC. 201. ALLOWANCE OF CLAIMS OR INTERESTS.

Section 502 of title 11, United States Code, is amended by adding at the end the following:

''(k)(1) The court may award the debtor reasonable attorneys' fees and costs if, after an objection is filed by a debtor, the court—

''(A)(i) disallows the claim; or

''(ii) reduces the claim by an amount greater than 20 percent of the amount of the initial claim filed by a party in interest; and

''(B) finds the position of the party filing the claim is not substantially justified.

''(2) If the court finds that the position of a claimant under this section is not substantially

justified, the court may, in addition to awarding a debtor reasonable attorneys' fees and costs under paragraph (1), award such damages as may be required by the equities of the case.''.

SEC. 202. EXCEPTIONS TO DISCHARGE.

Section 523 of title 11, United States Code, is amended—

(1) in subsection (a)(2)(A), by striking ''a false representation'' and inserting ''a material false representation upon which the defrauded person justifiably relied''; and

(2) by striking subsection (d) and inserting the following:

''(d)(1) Subject to paragraph (3), if a creditor requests a determination of dischargeability of a consumer debt under this section and that debt is discharged, the court shall award the debtor reasonable attorneys' fees and costs.

''(2) In addition to making an award to a debtor under paragraph (1), if the court finds that the position of a creditor in a proceeding covered under this section is not substantially justified, the court may award reasonable attorneys' fees and costs under paragraph (1) and such damages as may be required by the equities of the case.

''(3)(A) A creditor may not request a determination of dischargeability of a consumer debt under subsection (a)(2) if—

''(i) before the filing of the petition, the debtor made a good faith effort to negotiate a reasonable alternative repayment schedule (including making an offer of a reasonable alternative repayment schedule); and

''(ii) that creditor refused to negotiate an alternative payment schedule, and that refusal was not reasonable.

''(B) For purposes of this paragraph, the debtor shall have the burden of proof of establishing that—

''(i) an offer made by that debtor under subparagraph (A)(i) was reasonable; and

''(ii) the refusal to negotiate by the creditor involved to was not reasonable.''.

SEC. 203. EFFECT OF DISCHARGE.

Section 524 of title 11, United States Code, is amended by adding at the end the following:

''(i) The willful failure of a creditor to credit payments received under a plan confirmed under this title (including a plan of reorganization confirmed under chapter 11 of this title) in the manner required by the plan (including crediting the amounts required under the plan) shall constitute a violation of an injunction under subsection (a)(2).

''(j) An individual who is injured by the failure of a creditor to comply with the requirements for a reaffirmation agreement under subsections (c) and (d), or by any willful violation of the injunction under subsection (a)(2), shall be entitled to recover—

''(1) the greater of—

''(A)(i) the amount of actual damages; multiplied by

''(ii) 3; or

''(B) $5,000; and

''(2) costs and attorneys' fees.''.

SEC. 204. AUTOMATIC STAY.

Section 362(h) of title 11, United States Code, is amended to read as follows:

''(h)(1) An individual who is injured by any willful violation of a stay provided in this section shall be entitled to recover—

''(A) actual damages; and

''(B) reasonable costs, including attorneys' fees.

''(2) In addition to recovering actual damages, costs, and attorneys' fees under paragraph (1), an individual described in paragraph (1) may recover punitive damages in appropriate circumstances.''.

SEC. 205. DISCHARGE.

Section 727 of title 11, United States Code, is amended—

(1) in subsection (c), by adding at the end the following:

''(3)(A) A creditor may not request a determination of dischargeability of a consumer debt under subsection (a) if—

''(i) before the filing of the petition, the debtor made a good faith effort to negotiate a reasonable alternative repayment schedule (including making an offer of a reasonable alternative repayment schedule); and

''(ii) that creditor refused to negotiate an alternative payment schedule, and that refusal was not reasonable.

''(B) For purposes of this paragraph, the debtor shall have the burden of proof of establishing that—

''(i) an offer made by that debtor under subparagraph (A)(i) was reasonable; and

''(ii) the refusal to negotiate by the creditor involved to was not reasonable.''; and

(2) by adding at the end the following:

''(f)(1) The court may award the debtor reasonable attorneys' fees and costs in any case in which a creditor files a motion to deny relief to a debtor under this section and that motion—

''(A) is denied; or

''(B) is withdrawn after the debtor has replied.

''(2) If the court finds that the position of a party filing a motion under this section is not substantially justified, the court may assess against the creditor such damages as may be required by the equities of the case.''.

SEC. 206. DISCOURAGING PREDATORY LENDING PRACTICES.

Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking ''or'' at the end;

(2) in paragraph (9), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(10) the claim is based on a secured debt if the creditor has failed to comply with the requirements of subsection (a), (b), (c), (d), (e), (f), (g), (h), or (i) of section 129 of the Truth in Lending Act (15 U.S.C. 1639).''.

SEC. 207. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY DWELLING.

(a) OPEN-END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1637a(a)(13)) is amended—

(A) by striking ''CONSULTATION OF TAX ADVISOR.—A statement that the'' and inserting the following: ''TAX DEDUCTIBILITY.—A statement that—

''(A) the''; and

(B) by striking the period at the end and inserting the following: ''; and

''(B) in any case in which the extension of credit exceeds the fair market value of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes.''.

(2) CREDIT ADVERTISEMENTS.—Section 147(b) of the Truth in Lending Act (15 U.S.C. 1665b(b)) is amended—

(A) by striking ''If any'' and inserting the following:

''(1) IN GENERAL.—If any''; and

(B) by adding at the end the following:

''(2) CREDIT IN EXCESS OF FAIR MARKET VALUE.—Each advertisement described in subsection (a) that relates to an extension of credit that may exceed the fair market value of the dwelling shall include a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(b) NON-OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended—

(A) in subsection (a), by adding at the end the following:

''(15) In the case of a consumer credit transaction that is secured by the principal dwelling of the consumer, in which the extension of credit may exceed the fair market value of the dwelling, a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer should consult a tax advisor for further information regarding the deductibility of interest and charges.''; and

(B) in subsection (b), by adding at the end the following:

''(3) In the case of a credit transaction described in paragraph (15) of subsection (a), disclosures required by that paragraph shall be made to the consumer at the time of application for such extension of credit.''.

(2) CREDIT ADVERTISEMENTS.—Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended by adding at the end the following:

''(e) Each advertisement to which this section applies that relates to a consumer credit transaction that is secured by the principal dwelling of a consumer in which the extension of credit may exceed the fair market value of the dwelling shall clearly and conspicuously state that—

''(1) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(2) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(c) EFFECTIVE DATE.—This section shall become effective one year after the date of enactment of this Act.

SEC. 208. DUAL-USE DEBIT CARD.

(a) CONSUMER LIABILITY.—

(1) IN GENERAL.—Section 909 of the Electronic Fund Transfer Act (15 U.S.C. 1693g) is amended—

(A) by redesignating subsections (b) through (e) as subsections (d) through (g), respectively;

(B) in subsection (a)—

(i) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(ii) by inserting ''CARDS NECESSITATING UNIQUE IDENTIFIER.—

''(1) IN GENERAL.—'' after ''(a)'';

(iii) by striking ''other means of access can be identified as the person authorized to use it, such as by signature, photograph,'' and inserting ''other means of access can be identified as the person authorized to use it by a unique identifier, such as a photograph, retina scan,''; and

(iv) by striking ''Notwithstanding the foregoing,'' and inserting the following:

''(2) NOTIFICATION.—Notwithstanding paragraph (1),''; and

(C) by inserting before subsection (d), as so designated by this section, the following new subsections:

''(b) CARDS NOT NECESSITATING UNIQUE IDENTIFIER.—A consumer shall be liable for an unauthorized electronic fund transfer only if—

''(1) the liability is not in excess of $50;

''(2) the unauthorized electronic fund transfer is initiated by the use of a card that has been properly issued to a consumer other than the person making the unauthorized transfer as a means of access to the account of that consumer for the purpose of initiating an electronic fund transfer;

''(3) the unauthorized electronic fund transfer occurs before the card issuer has been notified that an unauthorized use of the card has occurred or may occur as the result of loss, theft, or otherwise; and

''(4) such unauthorized electronic fund transfer did not require the use of a code or other unique identifier (other than a signature), such as a photograph, fingerprint, or retina scan.

''(c) NOTICE OF LIABILITY AND RESPONSIBILITY TO REPORT LOSS OF CARD, CODE, OR OTHER

MEANS OF ACCESS.—No consumer shall be liable under this title for any unauthorized electronic fund transfer unless the consumer has received in a timely manner the notice required under section 905(a)(1), and any subsequent notice required under section 905(b) with regard to any change in the information which is the subject of the notice required under section 905(a)(1).''.

(2) CONFORMING AMENDMENT.—Section 905(a)(1) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)(1)) is amended to read as follows:

''(1) the liability of the consumer for any unauthorized electronic fund transfer and the requirement for promptly reporting any loss, theft, or unauthorized use of a card, code, or other means of access in order to limit the liability of the consumer for any such unauthorized transfer;''.

(b) VALIDATION REQUIREMENT FOR DUAL-USE DEBIT CARDS.—

(1) IN GENERAL.—Section 911 of the Electronic Fund Transfer Act (15 U.S.C. 1693i) is amended—

(A) by redesignating subsection (c) as subsection (d); and

(B) by inserting after subsection (b) the following new subsection:

''(c) VALIDATION REQUIREMENT.—No person may issue a card described in subsection (a), the use of which to initiate an electronic fund transfer does not require the use of a code or other unique identifier other than a signature (such as a fingerprint or retina scan), unless—

''(1) the requirements of paragraphs (1) through (4) of subsection (b) are met; and

''(2) the issuer has provided to the consumer a clear and conspicuous disclosure that use of the card may not require the use of such code or other unique identifier.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—Section 911(d) of the Electronic Fund Transfer Act (15 U.S.C. 1993i(d)) (as redesignated by subsection (a)(1) of this section) is amended by striking ''For the purpose of subsection (b)'' and inserting ''For purposes of subsections (b) and (c)''.

SEC. 209. ENHANCED DISCLOSURES UNDER AN OPEN END CREDIT PLAN.

(a) AMENDMENTS TO THE TRUTH IN LENDING ACT.—

(1) ENHANCED DISCLOSURE OF REPAYMENT TERMS.—

(A) IN GENERAL.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(11)(A) In a clear and conspicuous manner, repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

''(i) the required minimum monthly payment on that balance, represented as both a dollar figure and a percentage of that balance;

''(ii) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that current balance if the consumer pays only the required minimum monthly payments and if no further advances are made;

''(iii) the total cost to the consumer, including interest and principal payments, of paying that balance in full if the consumer pays only the required minimum monthly payments and if no further advances are made; and

''(iv) the following statement: 'If your current rate is a temporary introductory rate, your total costs may be higher.'.

''(B) In making the disclosures under subparagraph (A) the creditor shall apply the annual interest rate that applies to that balance with respect to the current billing cycle for that consumer in effect on the date on which the disclosure is made.''.

(B) PUBLICATION OF MODEL FORMS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish model disclosure forms in accordance with section 195 of the Truth in Lending Act for the purpose of compliance with section 127(b)(11) of the Truth in Lending Act, as added by this paragraph.

(C) CIVIL LIABILITY.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended, in the undesignated paragraph following paragraph (4), by striking the second sentence and inserting the following: ''In connection with the disclosures referred to in subsections (a) and (b) of section 1637 of this title, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 1635, 1637(a), or of paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 1637(b) or for failing to comply with disclosure requirements under State law for any term or item that the Board has determined to be substantially the same in meaning under section 1610(a)(2) as any of the terms or items referred to in section 1637(a), paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 1637(b) of this title.''.

(2) DISCLOSURES IN CONNECTION WITH SOLICITATIONS.—

(A) IN GENERAL.—Section 127(c)(1)(B) of the Truth in Lending Act (15 U.S.C. 1637(c)(1)(B)) is amended by adding the following:

''(iv) CREDIT WORKSHEET.—An easily understandable credit worksheet designed to aid consumers in determining their ability to assume more debt, including consideration of the personal expenses of the consumer and a simple formula for the consumer to determine whether the assumption of additional debt is advisable.

''(v) BASIS OF PREAPPROVAL.—In any case in which the application or solicitation states that the consumer has been preapproved for an account under an open end consumer credit plan, the following statement must appear in a clear and conspicuous manner: 'Your preapproval for this credit card does not mean that we have reviewed your individual financial circumstances. You should review your own budget before accepting this offer of credit.'.

''(vi) AVAILABILITY OF CREDIT REPORT.—That the consumer is entitled to a copy of his or her credit report in accordance with the Fair Credit Reporting Act.''.

(B) PUBLICATION OF MODEL FORMS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish model disclosure forms in accordance with section 195 of the Truth in Lending Act for the purpose of compliance with section 127(c)(1)(B) of the Truth in Lending Act, as amended by this paragraph.

(b) EFFECTIVE DATE.—The provisions of this section shall become effective on January 1, 2001.

SEC. 210. VIOLATIONS OF THE AUTOMATIC STAY.

(a) Section 362(a) is amended by adding after paragraph (8) the following:

''(9) any communication threatening a debtor, at any time after the commencement and before the granting of a discharge in a case under this title, an intention to file a motion to determine the dischargeability of a debt, or to file a motion under section 707(b) of title 11, United States Code, to dismiss or convert a case, or to repossess collateral from the debtor to which the stay applies.''.

SEC. 211. DISCOURAGING ABUSIVE REAFFIRMATION PRACTICES.

Section 524 of title 11, United States Code, is amended—

(1) in subsection (c)(2)(B) by adding at the end the following:

''(C) such agreement contains a clear and conspicuous statement which advises the debtor what portion of the debt to be reaffirmed is attributable to principal, interest, late fees, creditor's attorneys fees, expenses or other costs relating to the collection of the debt.''.

(2)(A) in subsection (c)(6)(B), by inserting after ''real property'' the following: ''or is a debt described in subsection (c)(7)''; and

(B) by adding at the end of subsection (c) the following:

''(7) in a case concerning an individual, if the consideration for such agreement is based in whole or in part on an unsecured consumer debt, or is based in whole or in part upon a debt for an item of personalty the value of which at point of purchase was $250 or less, and in which the creditor asserts a purchase money security interest, the court, approves such agreement as—

''(A) in the best interest of the debtor in light of the debtor's income and expenses;

''(B) not imposing an undue hardship on the debtor's future ability of the debtor to pay for the needs of children and other dependents (including court ordered support);

''(C) not requiring the debtor to pay the creditor's attorney's fees, expenses or other costs relating to the collection of the debt;

''(D) not entered into to protect property that is necessary for the care and maintenance of children or other dependents that would have nominal value on repossession;

''(E) not entered into after coercive threats or actions by the creditor in the creditor's course of dealings with the debtor.

''(F) not unfair because excessive in amount based upon the value of the collateral.''.

(3) in subsection (d)(2) by striking ''subsections (c)(6)'' and inserting ''subsections (c)(6) and (c)(7)'', and after ''of this section,'' by striking ''if the consideration for such agreement is based in whole or in part on a consumer debt that is not secured by real property of the debtor'' and adding at the end: ''as applicable''.

SEC. 212. SENSE OF THE SENATE REGARDING THE HOMESTEAD EXEMPTION.

(a) FINDINGS.—The Senate finds that—

(1) one of the most flagrant abuses of the bankruptcy system involves misuse of the homestead exemption, which allows a debtor to exempt his or her home, up to a certain value, as established by State law, from being sold off to satisfy debts;

(2) while the vast majority of States responsibly cap the exemption at not more than $40,000, 5 States exempt homes regardless of their value;

(3) in the few States with unlimited homestead exemptions, debtors can shield their assets in luxury homes while legitimate creditors get little or nothing;

(4) beneficiaries of the homestead exemption include convicted insider traders and savings and loan criminals, while shortchanged creditors include children, spouses, governments, and banks; and

(5) the homestead exemption should be capped at $100,000 to prevent such high-profile abuses.

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

(1) meaningful bankruptcy reform cannot be achieved without capping the homestead exemption; and

(2) bankruptcy reform legislation should include a cap of $100,000 on the homestead exemption to the bankruptcy laws.

SEC. 213. ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the ''Board'') shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 24 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the credit industry's indiscriminate solicitation and extension of credit;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

SEC. 214. TREASURY DEPARTMENT STUDY REGARDING SECURITY INTERESTS UNDER AN OPEN END CREDIT PLAN.

(a) STUDY.—Within 180 days of the enactment of this Act, the Federal Reserve Board in consultation with the Treasury Department, the general credit industry, and consumer groups, shall prepare a study regarding the adequacy of information received by consumers regarding the creation of security interests under open end credit plans.

(b) FINDINGS.—This study shall include the Board's findings regarding—

(1) whether consumers understand at the time of purchase of property under an open end credit plan that such property may serve as collateral under that credit plan;

(2) whether consumers understand at the time of purchase the legal consequences of disposing of property that is purchased under an open end credit plan and is subject to a security interest under that plan; and

(3) whether creditors holding security interests in property purchased under an open end credit plan use such security interests to coerce reaffirmations of existing debts under section 524 of the United States Bankruptcy Code.

In formulating these findings, the Board shall consider, among other factors it deems relevant, prevailing industry practices in this area.

(c) DISCLOSURE RECOMMENDATIONS.—This study shall also include the Board's recommendations regarding the utility and practicality of additional disclosures by credit card issuers at the time of purchase regarding security interests under open end credit plans, including, but not limited to—

(1) disclosures of the specific property in which the creditor will receive a security interest;

(2) disclosures of the consequences of nonpayment of the card balance, including how the security interest may be enforced; and

(3) disclosures of the process by which payments made on the card will be credited with respect to the lien created by the security contract and other debts on the card.

(d) SUBMISSION OF REPORT.—The Board shall submit this report to the Senate Committee on the Judiciary, the Senate Committee on Banking, Housing, and Urban Affairs, the House Committee on the Judiciary, and the House Committee on Banking and Financial Services within the time allotted by this section.

TITLE III—IMPROVED PROCEDURES FOR EFFICIENT ADMINISTRATION OF THE BANKRUPTCY SYSTEM

SEC. 301. NOTICE OF ALTERNATIVES.

(a) IN GENERAL.—Section 342 of title 11, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) Before the commencement of a case under this title by an individual whose debts are primarily consumer debts, that individual shall be given or obtain (as required in section 521(a)(1), as part of the certification process under subchapter 1 of chapter 5) a written notice prescribed by the United States trustee for the district in which the petition is filed pursuant to section 586 of title 28. The notice shall contain the following:

''(1) A brief description of chapters 7, 11, 12, and 13 and the general purpose, benefits, and costs of proceeding under each of those chapters.

''(2) A brief description of services that may be available to that individual from a credit counseling service that is approved by the United States trustee or the bankruptcy administrator for that district.''.

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, is amended—

(1) by inserting ''(a)'' before ''The debtor shall—'';

(2) by striking paragraph (1) and inserting the following:

''(1) file—

''(A) a list of creditors; and

''(B) unless the court orders otherwise—

''(i) a schedule of assets and liabilities;

''(ii) a schedule of current income and current expenditures;

''(iii) a statement of the debtor's financial affairs and, if applicable, a certificate—

''(I) of an attorney whose name is on the petition as the attorney for the debtor or any bankruptcy petition preparer signing the petition pursuant to section 110(b)(1) indicating that such attorney or bankruptcy petition preparer delivered to the debtor any notice required by section 342(b); or

''(II) if no attorney for the debtor is indicated and no bankruptcy petition preparer signed the petition, of the debtor that such notice was obtained and read by the debtor;

''(iv) copies of any Federal tax returns, including any schedules or attachments, filed by the debtor for the 3-year period preceding the order for relief;

''(v) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days prior to the filing of the petition;

''(vi) a statement of the amount of projected monthly net income, itemized to show how calculated; and

''(vii) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing;''; and

(3) by adding at the end the following:

''(b)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case and the court shall make those documents available to the creditor who requests those documents.

''(2) At any time, a creditor, in a case under chapter 13, may file with the court notice that the creditor requests the plan filed by the debtor in the case and the court shall make that plan available to the creditor who requests that plan.

''(c) An individual debtor in a case under chapter 7 or 13 shall file with the court—

''(1) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

''(2) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order for relief;

''(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and

''(4) in a case under chapter 13, a statement subject to the penalties of perjury by the debtor of the debtor's income and expenditures in the preceding tax year and monthly income, that shows how the amounts are calculated—

''(A) beginning on the date that is the later of 90 days after the close of the debtor's tax year or 1 year after the order for relief, unless a plan has been confirmed; and

''(B) thereafter, on or before the date that is 45 days before each anniversary of the confirmation of the plan until the case is closed.

''(d)(1) A statement referred to in subsection (c)(4) shall disclose—

''(A) the amount and sources of income of the debtor;

''(B) the identity of any persons responsible with the debtor for the support of any dependents of the debtor; and

''(C) the identity of any persons who contributed, and the amount contributed, to the household in which the debtor resides.

''(2) The tax returns, amendments, and statement of income and expenditures described in paragraph (1) shall be available to the United States trustee, any bankruptcy administrator, any trustee, and any party in interest for inspection and copying, subject to the requirements of subsection (e).

''(e)(1) Not later than 30 days after the date of enactment of the Consumer Bankruptcy Reform Act of 1998, the Director of the Administrative Office of the United States Courts shall establish procedures for safeguarding the confidentiality of any tax information required to be provided under this section.

''(2) The procedures under paragraph (1) shall include restrictions on creditor access to tax information that is required to be provided under this section.

''(3) Not later than 1 year after the date of enactment of the Consumer Bankruptcy Reform Act of 1998, the Director of the Administrative Office of the United States Courts shall prepare, and submit to Congress a report that—

''(A) assesses the effectiveness of the procedures under paragraph (1); and

''(B) if appropriate, includes proposed legislation—

''(i) to further protect the confidentiality of tax information; and

''(ii) to provide penalties for the improper use by any person of the tax information required to be provided under this section.

''(f) If requested by the United States trustee or a trustee serving in the case, the debtor provide a document that establishes the identity of the debtor, including a driver's license, passport, or other document that contains a photograph of the debtor and such other personal identifying information relating to the debtor that establishes the identity of the debtor.''.

(c) TITLE 28.—Section 586(a) of title 28, United States Code, is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(7) on or before January 1 of each calendar year, and also not later than 30 days after any change in the nonprofit debt counseling services registered with the bankruptcy court, prescribe and make available on request the notice described in section 342(b)(3) of title 11 for each district included in the region.''.

SEC. 302. FAIR TREATMENT OF SECURED CREDITORS UNDER CHAPTER 13.

(a) RESTORING THE FOUNDATION FOR SECURED CREDIT.—Section 1325(a) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking the matter preceding subparagraph (A) and inserting the following:

''(5) with respect to an allowed claim provided for by the plan that is secured under applicable nonbankruptcy law by reason of a lien on property in which the estate has an interest or is subject to a setoff under section 553—''; and

(2) by adding at the end of the subsection the following flush sentence:

''For purposes of paragraph (5), section 506 shall not apply to a claim described in that paragraph.''.

(b) PAYMENT OF HOLDERS OF CLAIMS SECURED BY LIENS.—Section 1325(a)(5)(B)(i) of title 11, United States Code, is amended to read as follows:

''(B)(i) the plan provides that the holder of such claim retain the lien securing such claim

until the debt that is the subject of the claim is fully paid for, as provided under the plan; and''.

(c) DETERMINATION OF SECURED STATUS.—Section 506 of title 11, United States Code, is amended by adding at the end the following:

''(e) Subsection (a) shall not apply to an allowed claim to the extent attributable in whole or in part to the purchase price of personal property acquired by the debtor during the 90-day period preceding the date of filing of the petition.''.

SEC. 303. DISCOURAGEMENT OF BAD FAITH REPEAT FILINGS.

Section 362(c) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' before ''Except as'';

(2) by striking ''(1) the stay'' and inserting ''(A) the stay'';

(3) by striking ''(2) the stay'' and inserting ''(B) the stay'';

(4) by striking ''(A) the time'' and inserting ''(i) the time'';

(5) by striking ''(B) the time'' and inserting ''(ii) the time''; and

(6) by adding at the end the following:

''(2) Except as provided in subsections (d) through (f), the stay under subsection (a) with respect to any action taken with respect to a debt or property securing such debt or with respect to any lease shall terminate with respect to the debtor on the 30th day after the filing of the later case if—

''(A) a single or joint case is filed by or against an individual debtor under chapter 7, 11, or 13; and

''(B) a single or joint case of that debtor (other than a case refiled under a chapter other than chapter 7 after dismissal under section 707(b)) was pending during the preceding year but was dismissed.

''(3) If a party in interest so requests, the court may extend the stay in a particular case with respect to 1 or more creditors (subject to such conditions or limitations as the court may impose) after providing notice and a hearing completed before the expiration of the 30-day period described in paragraph (2) only if the party in interest demonstrates that the filing of the later case is in good faith with respect to the creditors to be stayed.

''(4) A case shall be presumed to have not been filed in good faith (except that such presumption may be rebutted by clear and convincing evidence to the contrary)—

''(A) with respect to the creditors involved, if—

''(i) more than 1 previous case under any of chapters 7, 11, or 13 in which the individual was a debtor was pending during the 1-year period described in paragraph (1);

''(ii) a previous case under any of chapters 7, 11, or 13 in which the individual was a debtor was dismissed within the period specified in paragraph (2) after—

''(I) the debtor, after having received from the court a request to do so, failed to file or amend the petition or other documents as required by this title; or

''(II) the debtor, without substantial excuse, failed to perform the terms of a plan that was confirmed by the court; or

''(iii)(I) during the period commencing with the dismissal of the next most previous case under chapter 7, 11, or 13 there has not been a substantial change in the financial or personal affairs of the debtor;

''(II) if the case is a chapter 7 case, there is no other reason to conclude that the later case will be concluded with a discharge; or

''(III) if the case is a chapter 11 or 13 case, there is not a confirmed plan that will be fully performed; and

''(B) with respect to any creditor that commenced an action under subsection (d) in a previous case in which the individual was a debtor, if, as of the date of dismissal of that case, that action was still pending or had been resolved by terminating, conditioning, or limiting the stay with respect to actions of that creditor.

''(5)(A) If a request is made for relief from the stay under subsection (a) with respect to real or personal property of any kind, and the request is granted in whole or in part, the court may, in addition to making any other order under this subsection, order that the relief so granted shall be in rem either—

''(i) for a definite period of not less than 1 year; or

''(ii) indefinitely.

''(B)(i) After an order is issued under subparagraph (A), the stay under subsection (a) shall not apply to any property subject to such an in rem order in any case of the debtor.

''(ii) If an in rem order issued under subparagraph (A) so provides, the stay shall, in addition to being inapplicable to the debtor involved, not apply with respect to an entity under this title if—

''(I) the entity had reason to know of the order at the time that the entity obtained an interest in the property affected; or

''(II) the entity was notified of the commencement of the proceeding for relief from the stay, and at the time of the notification, no case in which the entity was a debtor was pending.

''(6) For purposes of this section, a case is pending during the period beginning with the issuance of the order for relief and ending at such time as the case involved is closed.''.

SEC. 304. TIMELY FILING AND CONFIRMATION OF PLANS UNDER CHAPTER 13.

(a) FILING OF PLAN.—Section 1321 of title 11, United States Code, is amended to read as follows:

''§ 1321. Filing of plan

''The debtor shall file a plan not later than 90 days after the order for relief under this chapter, except that the court may extend such period if the need for an extension is attributable to circumstances for which the debtor should not justly be held accountable.''.

(b) CONFIRMATION OF HEARING.—Section 1324 of title 11, United States Code, is amended by adding at the end the following: ''That hearing shall be held not later than 45 days after the filing of the plan, unless the court, after providing notice and a hearing, orders otherwise.''.

SEC. 305. APPLICATION OF THE CODEBTOR STAY ONLY WHEN THE STAY PROTECTS THE DEBTOR.

Section 1301(b) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2)(A) Notwithstanding subsection (c) and except as provided in subparagraph (B), in any case in which the debtor did not receive the consideration for the claim held by a creditor, the stay provided by subsection (a) shall apply to that creditor for a period not to exceed 30 days beginning on the date of the order for relief, to the extent the creditor proceeds against—

''(i) the individual that received that consideration; or

''(ii) property not in the possession of the debtor that secures that claim.

''(B) Notwithstanding subparagraph (A), the stay provided by subsection (a) shall apply in any case in which the debtor is primarily obligated to pay the creditor in whole or in part with respect to a claim described in subparagraph (A) under a legally binding separation or property settlement agreement or divorce or dissolution decree with respect to—

''(i) an individual described in subparagraph (A)(i); or

''(ii) property described in subparagraph (A)(ii).

''(3) Notwithstanding subsection (c), the stay provided by subsection (a) shall terminate as of the date of confirmation of the plan, in any case in which the plan of the debtor provides that the debtor's interest in personal property subject to a lease with respect to which the debtor is the lessee will be surrendered or abandoned or no payments will be made under the plan on account of the debtor's obligations under the lease.''.

SEC. 306. IMPROVED BANKRUPTCY STATISTICS.

(a) AMENDMENT.—Chapter 6 of part I of title 28, United States Code, is amended by adding at the end the following:

''§ 159. Bankruptcy statistics

''(a) The clerk of each district shall compile statistics regarding individual debtors with primarily consumer debts seeking relief under chapters 7, 11, and 13 of title 11. Those statistics shall be in a form prescribed by the Director of the Administrative Office of the United States Courts (referred to in this section as the 'Office').

''(b) The Director shall—

''(1) compile the statistics referred to in subsection (a);

''(2) make the statistics available to the public; and

''(3) not later than October 31, 1998, and annually thereafter, prepare, and submit to Congress a report concerning the information collected under subsection (a) that contains an analysis of the information.

''(c) The compilation required under subsection (b) shall—

''(1) be itemized, by chapter, with respect to title 11;

''(2) be presented in the aggregate and for each district; and

''(3) include information concerning—

''(A) the total assets and total liabilities of the debtors described in subsection (a), and in each category of assets and liabilities, as reported in the schedules prescribed pursuant to section 2075 of this title and filed by those debtors;

''(B) the current total monthly income, projected monthly net income, and average income and average expenses of those debtors as reported on the schedules and statements that each such debtor files under sections 111, 521, and 1322 of title 11;

''(C) the aggregate amount of debt discharged in the reporting period, determined as the difference between the total amount of debt and obligations of a debtor reported on the schedules and the amount of such debt reported in categories which are predominantly nondischargeable;

''(D) the average period of time between the filing of the petition and the closing of the case;

''(E) for the reporting period—

''(i) the number of cases in which a reaffirmation was filed; and

''(ii)(I) the total number of reaffirmations filed;

''(II) of those cases in which a reaffirmation was filed, the number in which the debtor was not represented by an attorney; and

''(III) of those cases, the number of cases in which the reaffirmation was approved by the court;

''(F) with respect to cases filed under chapter 13 of title 11, for the reporting period—

''(i)(I) the number of cases in which a final order was entered determining the value of property securing a claim in an amount less than the amount of the claim; and

''(II) the number of final orders determining the value of property securing a claim issued;

''(ii) the number of cases dismissed for failure to make payments under the plan; and

''(iii) the number of cases in which the debtor filed another case within the 6 years previous to the filing; and

''(G) the extent of creditor misconduct and any amount of punitive damages awarded by the court for creditor misconduct.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 6 of title 28, United States Code, is amended by adding at the end the following:

''159. Bankruptcy statistics.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

SEC. 307. AUDIT PROCEDURES.

(a) AMENDMENTS.—Section 586 of title 28, United States Code, is amended—

(1) in subsection (a), as amended by section 301 of this Act, by striking paragraph (6) and inserting the following:

''(6) make such reports as the Attorney General directs, including the results of audits performed under subsection (f); and''; and

(2) by adding at the end the following:

''(f)(1)(A) The Attorney General shall establish procedures to determine the accuracy and completeness of petitions, schedules, and other information which the debtor is required to provide under sections 521 and 1322 of title 11, and, if applicable, section 111 of title 11, in individual cases filed under chapter 7 or 13 of such title.

''(B) Those procedures shall—

''(i) establish a method of selecting appropriate qualified persons to contract to perform those audits;

''(ii) establish a method of randomly selecting cases to be audited, except that not less than 1 out of every 500 cases in each Federal judicial district shall be selected for audit;

''(iii) require audits for schedules of income and expenses which reflect greater than average variances from the statistical norm of the district in which the schedules were filed; and

''(iv) establish procedures for providing, not less frequently than annually, public information concerning the aggregate results of such audits including the percentage of cases, by district, in which a material misstatement of income or expenditures is reported.

''(2) The United States trustee for each district is authorized to contract with auditors to perform audits in cases designated by the United States trustee according to the procedures established under paragraph (1).

''(3)(A) The report of each audit conducted under this subsection shall be filed with the court and transmitted to the United States trustee. Each report shall clearly and conspicuously specify any material misstatement of income or expenditures or of assets identified by the person performing the audit. In any case where a material misstatement of income or expenditures or of assets has been reported, the clerk of the bankruptcy court shall give notice of the misstatement to the creditors in the case.

''(B) If a material misstatement of income or expenditures or of assets is reported the United States trustee shall—

''(i) report the material misstatement, if appropriate, to the United States Attorney pursuant to section 3057 of title 18, United States Code; and

''(ii) if advisable, take appropriate action, including but not limited to commencing an adversary proceeding to revoke the debtor's discharge pursuant to section 727(d) of title 11, United States Code.''.

(b) AMENDMENTS TO SECTION 521 OF TITLE 11, U.S.C.—Section 521 of title 11, United States Code, is amended in paragraphs (3) and (4) by adding ''or an auditor appointed pursuant to section 586 of title 28, United States Code'' after ''serving in the case''.

(c) AMENDMENTS TO SECTION 727 OF TITLE 11, U.S.C.—Section 727(d) of title 11, United States Code, is amended—

(1) by deleting ''or'' at the end of paragraph (2);

(2) by substituting ''; or'' for the period at the end of paragraph (3); and

(3) adding the following at the end of paragraph (3)—

''(4) the debtor has failed to explain satisfactorily—

''(A) a material misstatement in an audit performed pursuant to section 586(f) of title 28, United States Code; or

''(B) a failure to make available for inspection all necessary accounts, papers, documents, financial records, files and all other papers, things, or property belonging to the debtor that are requested for an audit conducted pursuant to section 586(f) of title 28, United States Code.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

SEC. 308. CREDITOR REPRESENTATION AT FIRST MEETING OF CREDITORS.

Section 341(c) of title 11, United States Code, is amended by inserting after the first sentence the following: ''Notwithstanding any local court rule, provision of a State constitution, any other Federal or State law that is not a bankruptcy law, or other requirement that representation at the meeting of creditors under subsection (a) be by an attorney, a creditor holding a consumer debt or any representative of the creditor (which may include an entity or an employee of an entity and may be a representative for more than one creditor) shall be permitted to appear at and participate in the meeting of creditors in a case under chapter 7 or 13, either alone or in conjunction with an attorney for the creditor. Nothing in this subsection shall be construed to require any creditor to be represented by an attorney at any meeting of creditors.''.

SEC. 309. FAIR NOTICE FOR CREDITORS IN CHAPTER 7 AND 13 CASES.

Section 342 of title 11, United States Code, is amended—

(1) in subsection (c), by striking '', but the failure of such notice to contain such information shall not invalidate the legal effect of such notice''; and

(2) by adding at the end the following:

''(d)(1) If the credit agreement between the debtor and the creditor or the last communication before the filing of the petition in a voluntary case from the creditor to a debtor who is an individual states an account number of the debtor that is the current account number of the debtor with respect to any debt held by the creditor against the debtor, the debtor shall include that account number in any notice to the creditor required to be given under this title.

''(2) If the creditor has specified to the debtor, in the last communication before the filing of the petition, an address at which the creditor wishes to receive correspondence regarding the debtor's account, any notice to the creditor required to be given by the debtor under this title shall be given at such address.

''(3) For purposes of this section, the term 'notice' shall include—

''(A) any correspondence from the debtor to the creditor after the commencement of the case;

''(B) any statement of the debtor's intention under section 521(a)(2);

''(C) notice of the commencement of any proceeding in the case to which the creditor is a party; and

''(D) any notice of a hearing under section 1324.

''(e)(1) At any time, a creditor, in a case of an individual under chapter 7 or 13, may file with the court and serve on the debtor a notice of the address to be used to notify the creditor in that case.

''(2) If the court or the debtor is required to give the creditor notice, not later than 5 days after receipt of the notice under paragraph (1), that notice shall be given at that address.

''(f) An entity may file with the court a notice stating its address for notice in cases under chapter 7 or 13. After the date that is 30 days following the filing of that notice, any notice in any case filed under chapter 7 or 13 given by the court shall be to that address unless specific notice is given under subsection (e) with respect to a particular case.

''(g)(1) Notice given to a creditor other than as provided in this section shall not be effective notice until that notice has been brought to the attention of the creditor.

''(2) If the creditor has designated a person or department to be responsible for receiving notices concerning bankruptcy cases and has established reasonable procedures so that bankruptcy notices received by the creditor will be delivered to that department or person, notice shall not be brought to the attention of the creditor until that notice is received by that person or department.''.

SEC. 310. STOPPING ABUSIVE CONVERSIONS FROM CHAPTER 13.

Section 348(f)(1) of title 11, United States Code, is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) in subparagraph (B)—

(A) by striking ''in the converted case, with allowed secured claims'' and inserting ''only in a case converted to chapter 11 or 12 but not in a case converted to chapter 7, with allowed secured claims in cases under chapters 11 and 12''; and

(B) by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(C) with respect to cases converted from chapter 13, the claim of any creditor holding security as of the date of the petition shall continue to be secured by that security unless the full amount of that claim determined under applicable nonbankruptcy law has been paid in full as of the date of conversion, notwithstanding any valuation or determination of the amount of an allowed secured claim made for the purposes of the chapter 13 proceeding.''.

SEC. 311. PROMPT RELIEF FROM STAY IN INDIVIDUAL CASES.

Section 362(e) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(e)''; and

(2) by adding at the end the following:

''(2) Notwithstanding paragraph (1), in the case of an individual filing under chapter 7, 11, or 13, the stay under subsection (a) shall terminate on the date that is 60 days after a request is made by a party in interest under subsection (d), unless—

''(A) a final decision is rendered by the court during the 60-day period beginning on the date of the request; or

''(B) that 60-day period is extended—

''(i) by agreement of all parties in interest; or

''(ii) by the court for such specific period of time as the court finds is required for good cause.''.

SEC. 312. DISMISSAL FOR FAILURE TO TIMELY FILE SCHEDULES OR PROVIDE REQUIRED INFORMATION.

Section 707 of title 11, United States Code, as amended by section 102 of this Act, is amended by adding at the end the following:

''(c)(1) Notwithstanding subsection (a), and subject to paragraph (2), if an individual debtor in a voluntary case under chapter 7 or 13 fails to file all of the information required under section 521(a)(1) within 45 days after the filing of the petition commencing the case, the case shall be automatically dismissed effective on the 46th day after the filing of the petition.

''(2) With respect to a case described in paragraph (1), any party in interest may request the court to enter an order dismissing the case. The court shall, if so requested, enter an order of dismissal not later than 5 days after that request.

''(3) Upon request of the debtor made within 45 days after the filing of the petition commencing a case described in paragraph (1), the court may allow the debtor an additional period of not to exceed 50 days to file the information required under section 521(a)(1) if the court finds justification for extending the period for the filing.''.

SEC. 313. ADEQUATE TIME FOR PREPARATION FOR A HEARING ON CONFIRMATION OF THE PLAN.

Section 1324 of title 11, United States Code, as amended by section 304 of this Act, is amended—

(1) by striking ''After'' and inserting the following:

''(a) Except as provided in subsection (b) and after''; and

(2) by adding at the end the following:

''(b) If not later than 5 days after receiving notice of a hearing on confirmation of the plan, a creditor objects to the confirmation of the plan, the hearing on confirmation of the plan may be held no earlier than 20 days after the first meeting of creditors under section 341(a).''.

SEC. 314. DISCHARGE UNDER CHAPTER 13.

Section 1328(a) of title 11, United States Code, is amended by striking paragraphs (1) through (3) and inserting the following:

''(1) provided for under section 1322(b)(5);

''(2) of the kind specified in paragraph (2), (4), (5), (8), or (9) of section 523(a);

''(3) for restitution, or a criminal fine, included in a sentence on the debtor's conviction of a crime; or

''(4) for restitution, or damages, awarded in a civil action against the debtor as a result of willful or malicious injury by the debtor that caused personal injury to an individual or the death of an individual.''.

SEC. 315. NONDISCHARGEABLE DEBTS.

Section 523(a) of title 11, United States Code, is amended by inserting after paragraph (14) the following:

''(14A) incurred to pay a debt that is nondischargeable by reason of section 727, 1141, 1228 (a) or (b), or 1328(b), or any other provision of this subsection, where the debtor incurred the debt to pay such a nondischargeable debt with the intent to discharge in bankruptcy the newly-created debt.''.

SEC. 316. CREDIT EXTENSIONS ON THE EVE OF BANKRUPTCY PRESUMED NONDISCHARGEABLE.

Section 523(a)(2) of title 11, United States Code, as amended by section 202 of this Act, is amended—

(1) in subparagraph (A), by striking the semicolon at the end and inserting the following: ''(and, for purposes of this subparagraph, consumer debts owed in an aggregate amount greater than or equal to $400 incurred for goods or services not reasonably necessary for the maintenance or support of the debtor or a dependent child of the debtor to a single creditor that are incurred during the 90-day period preceding the date of the order for relief shall be presumed to be nondischargeable under this subparagraph); or'';

(2) in subparagraph (B), by striking ''or'' at the end; and

(3) by striking subparagraph (C).

SEC. 317. DEFINITION OF HOUSEHOLD GOODS AND ANTIQUES.

Not later than 180 days after the date of enactment of this Act, the Federal Trade Commission shall promulgate regulations defining ''household goods'' under section 522(c)(3) in a manner suitable and appropriate for cases under title 11 of the United States Code. If new regulations are not effective within 180 days of enactment of this Act, then ''household goods'' under section 522(c)(3) shall have the meaning given that term in section 444.1(i) of title 16, of the Code of Federal Regulations, except that the term shall also include any tangible personal property reasonably necessary for the maintenance or support of a dependent child.

SEC. 318. RELIEF FROM STAY WHEN THE DEBTOR DOES NOT COMPLETE INTENDED SURRENDER OF CONSUMER DEBT COLLATERAL.

(a) AUTOMATIC STAY.—Section 362 of title 11, United States Code, as amended by section 303, is amended—

(1) in subsection (c)(1), in the matter preceding subparagraph (A), by striking ''(e) and (f)'' and inserting ''(e), (f), and (h)'';

(2) by redesignating subsection (h) as subsection (i); and

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

''(h) In an individual case under chapter 7, 11, or 13 the stay provided by subsection (a) is terminated with respect to property of the estate securing in whole or in part a claim that is in an amount greater than $3,000, or subject to an unexpired lease with a remaining term of at least 1 year (in any case in which the debtor owes at least $3,000 for a 1-year period), if within 30 days after the expiration of the applicable period under section 521(a)(2)—

''(1)(A) the debtor fails to timely file a statement of intention to surrender or retain the property; or

''(B) if the debtor indicates in the filing that the debtor will retain the property, the debtor fails to meet an applicable requirement to—

''(i) either—

''(I) redeem the property pursuant to section 722; or

''(II) reaffirm the debt the property secures pursuant to section 524(c); or

''(ii) assume the unexpired lease pursuant to section 365(d) if the trustee does not do so; or

''(2) the debtor fails to timely take the action specified in a statement of intention referred to in paragraph (1)(A) (as amended, if that statement is amended before expiration of the period for taking action), unless—

''(A) the statement of intention specifies reaffirmation; and

''(B) the creditor refuses to reaffirm the debt on the original contract terms for the debt.''.

(b) DEBTOR'S DUTIES.—Section 521(a)(2) of title 11, United States Code, as redesignated by section 301(b) of this Act, is amended—

(1) in the matter preceding subparagraph (A), by striking ''consumer'';

(2) in subparagraph (B)—

(A) by striking ''forty-five days after the filing of a notice of intent under this section'' and inserting ''30 days after the first meeting of creditors under section 341(a)''; and

(B) by striking ''forty-five-day period'' and inserting ''30-day period''; and

(3) in subparagraph (C), by inserting '', except as provided in section 362(h)'' before the semicolon.

SEC. 319. ADEQUATE PROTECTION OF LESSORS AND PURCHASE MONEY SECURED CREDITORS.

(a) IN GENERAL.—Chapter 13 of title 11, United States Code, is amended by adding after section 1307 the following:

''§ 1307A. Adequate protection in chapter 13 cases

''(a)(1)(A) On or before the date that is 30 days after the filing of a case under this chapter, the debtor shall make cash payments in an amount determined under paragraph (2)(A), to—

''(i) any lessor of personal property; and

''(ii) any creditor holding a claim secured by personal property to the extent that the claim is attributable to the purchase of that property by the debtor.

''(B) The debtor or the plan shall continue making the adequate protection payments until the earlier of the date on which—

''(i) the creditor begins to receive actual payments under the plan; or

''(ii) the debtor relinquishes possession of the property referred to in subparagraph (A) to—

''(I) the lessor or creditor; or

''(II) any third party acting under claim of right, as applicable.

''(2) The payments referred to in paragraph (1)(A) shall be determined by the court.

''(b)(1) Subject to the limitations under paragraph (2), the court may, after notice and hearing, change the amount and timing of the dates of payment of payments made under subsection (a).

''(2)(A) The payments referred to in paragraph (1) shall be payable not less frequently than monthly.

''(B) The amount of a payment referred to in paragraph (1) shall not be less than the reasonable depreciation of the personal property described in subsection (a)(1), determined on a month-to-month basis.

''(c) Notwithstanding section 1326(b), the payments referred to in subsection (a)(1)(A) shall be continued in addition to plan payments under a confirmed plan until actual payments to the creditor begin under that plan, if the confirmed plan provides—

''(1) for payments to a creditor or lessor described in subsection (a)(1); and

''(2) for the deferral of payments to such creditor or lessor under the plan until the payment of amounts described in section 1326(b).

''(d) Notwithstanding sections 362, 542, and 543, a lessor or creditor described in subsection (a) may retain possession of property described in that subsection that was obtained in accordance with applicable law before the date of filing of the petition until the first payment under subsection (a)(1)(A) is received by the lessor or creditor.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1307 the following:

''1307A. Adequate protection in chapter 13 cases.''.

SEC. 320. LIMITATION.

Section 522 of title 11, United States Code, as amended by section 207(a), is amended—

(1) in subsection (b)(3)(A), by inserting ''subject to subsection (n),'' before ''any property''; and

(2) by adding at the end the following new subsection:

''(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

''(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

''(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

''(C) a burial plot for the debtor or a dependent of the debtor.

''(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(2)(A) by a family farmer for the principal residence of that farmer.''.

SEC. 321. MISCELLANEOUS IMPROVEMENTS.

(a) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended by adding at the end the following:

''(h)(1) Subject to paragraphs (2) and (3) and notwithstanding any other provision of this section, an individual may not be a debtor under this title unless that individual has, during the 90-day period preceding the date of filing of the petition of that individual, received credit counseling, including, at a minimum, participation in an individual or group briefing that outlined the opportunities for available credit counseling and assisted that individual in performing an initial budget analysis, through a credit counseling program (offered through an approved credit counseling service described in section 111(a)) that has been approved by—

''(A) the United States trustee; or

''(B) the bankruptcy administrator for the district in which the petition is filed.''.

''(2)(A) Paragraph (1) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved credit counseling services for that district are not reasonably able to provide adequate services to the additional individuals who would otherwise seek credit counseling from those programs by reason of the requirements of paragraph (1).

''(B) Each United States trustee or bankruptcy administrator that makes a determination described in subparagraph (A) shall review that determination not later than one year after the date of that determination, and not less frequently than every year thereafter.

''(3)(A) Subject to subparagraph (B), the requirements of paragraph (1) shall not apply

with respect to a debtor who submits to the court a certification that—

''(i) describes exigent circumstances that merit a waiver of the requirements of paragraph (1);

''(ii) states that the debtor requested credit counseling services from an approved credit counseling service, but was unable to obtain the services referred to in paragraph (1) during the 5-day period beginning on the date on which the debtor made that request; and

''(iii) is satisfactory to the court.

''(B) With respect to a debtor, an exemption under subparagraph (A) shall cease to apply to that debtor on the date on which the debtor meets the requirements of paragraph (1), but in no case may the exemption apply to that debtor after the date that is 30 days after the debtor files a petition.''.

(b) CHAPTER 7 DISCHARGE.—Section 727(a) of title 11, United States Code, is amended—

(1) in paragraph (9), by striking ''or'' at the end;

(2) in paragraph (10), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(11) after the filing of the petition, the debtor failed to complete an instructional course concerning personal financial management described in section 111 that was administered or approved by—

''(A) the United States trustee; or

''(B) the bankruptcy administrator for the district in which the petition is filed.''.

(c) CHAPTER 13 DISCHARGE.—Section 1328 of title 11, United States Code, is amended by adding at the end the following:

''(f) The court shall not grant a discharge under this section to a debtor, unless after filing a petition the debtor has completed an instructional course concerning personal financial management described in section 111 that was administered or approved by—

''(1) the United States trustee; or

''(2) the bankruptcy administrator for the district in which the petition is filed.''.

(d) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by sections 301(b) and 318(b) of this Act, is amended by adding at the end the following:

''(e) In addition to the requirements under subsection (a), an individual debtor shall file with the court—

''(1) a certificate from the credit counseling service that provided the debtor services under section 109(h); and

''(2) a copy of the debt repayment plan, if any, developed under section 109(h) through the credit counseling service referred to in paragraph (1).''.

(e) EXCEPTIONS TO DISCHARGE.—Section 523(d) of title 11, United States Code, as amended by section 202 of this Act, is amended by striking paragraph (3)(A)(i) and inserting the following:

''(i) within the applicable period of time prescribed under section 109(h), the debtor received credit counseling through a credit counseling program in accordance with section 109(h); and''.

(f) GENERAL PROVISIONS.—

(1) IN GENERAL.—Chapter 1 of title 11, United States Code, is amended by adding at the end the following:

''§ 111. Credit counseling services; financial management instructional courses

''(a) The clerk of each district shall maintain a list of credit counseling services that provide 1 or more programs described in section 109(h) and that have been approved by—

''(1) the United States trustee; or

''(2) the bankruptcy administrator for the district.

''(b) The United States trustee or each bankruptcy administrator referred to in subsection (a)(1) shall—

''(1) make available to debtors who are individuals an instructional course concerning personal financial management, under the direction of the bankruptcy court; and

''(2) maintain a list of instructional courses concerning personal financial management that are operated by a private entity and that have been approved by the United States trustee or that bankruptcy administrator.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1 of title 11, United States Code, is amended by adding at the end the following:

''111. Credit counseling services; financial management instructional courses.''.

(g) DEFINITIONS.—Section 101 of title 11, United States Code, as amended by section 317 of this Act, is amended—

(1) by inserting after paragraph (13) the following:

''(13A) 'debtor's principal residence'—

''(A) means a residential structure, including incidental property, without regard to whether that structure is attached to real property; and

''(B) includes an individual condominium or co-operative unit;''; and

(2) by inserting after paragraph (27A), as added by section 318 of this Act, the following:

''(27B) 'incidental property' means, with respect to a debtor's principal residence—

''(A) property commonly conveyed with a principal residence in the area where the real estate is located;

''(B) all easements, rights, appurtenances, fixtures, rents, royalties, mineral rights, oil or gas rights or profits, water rights, escrow funds, or insurance proceeds; and

''(C) all replacements or additions;''.

SEC. 322. BANKRUPTCY JUDGESHIPS.

(a) SHORT TITLE.—This section may be cited as the ''Bankruptcy Judgeship Act of 1998''.

(b) TEMPORARY JUDGESHIPS.—

(1) APPOINTMENTS.—The following judgeship positions shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:

(A) One additional bankruptcy judgeship for the eastern district of California.

(B) Four additional bankruptcy judgeships for the central district of California.

(C) One additional bankruptcy judgeship for the southern district of Florida.

(D) Two additional bankruptcy judgeships for the district of Maryland.

(E) One additional bankruptcy judgeship for the eastern district of Michigan.

(F) One additional bankruptcy judgeship for the southern district of Mississippi.

(G) One additional bankruptcy judgeship for the district of New Jersey.

(H) One additional bankruptcy judgeship for the eastern district of New York.

(I) One additional bankruptcy judgeship for the northern district of New York.

(J) One additional bankruptcy judgeship for the southern district of New York.

(K) One additional bankruptcy judgeship for the eastern district of Pennsylvania.

(L) One additional bankruptcy judgeship for the middle district of Pennsylvania.

(M) One additional bankruptcy judgeship for the western district of Tennessee.

(N) One additional bankruptcy judgeship for the eastern district of Virginia.

(2) VACANCIES.—The first vacancy occurring in the office of a bankruptcy judge in each of the judicial districts set forth in paragraph (1) that—

(A) results from the death, retirement, resignation, or removal of a bankruptcy judge; and

(B) occurs 5 years or more after the appointment date of a bankruptcy judge appointed under paragraph (1);

shall not be filled.

(c) EXTENSIONS.—

(1) IN GENERAL.—The temporary bankruptcy judgeship positions authorized for the northern district of Alabama, the district of Delaware, the district of Puerto Rico, the district of South Carolina, and the eastern district of Tennessee under section 3(a) (1), (3), (7), (8), and (9) of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) are extended until the first vacancy occurring in the office of a bankruptcy judge in the applicable district resulting from the death, retirement, resignation, or removal of a bankruptcy judge and occurring—

(A) 8 years or more after November 8, 1993, with respect to the northern district of Alabama;

(B) 10 years or more after October 28, 1993, with respect to the district of Delaware;

(C) 8 years or more after August 29, 1994, with respect to the district of Puerto Rico;

(D) 8 years or more after June 27, 1994, with respect to the district of South Carolina; and

(E) 8 years or more after November 23, 1993, with respect to the eastern district of Tennessee.

(2) APPLICABILITY OF OTHER PROVISIONS.—All other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 remain applicable to such temporary judgeship position.

(d) TECHNICAL AMENDMENT.—The first sentence of section 152(a)(1) of title 28, United States Code, is amended to read as follows: ''Each bankruptcy judge to be appointed for a judicial district as provided in paragraph (2) shall be appointed by the United States court of appeals for the circuit in which such district is located.''.

(e) TRAVEL EXPENSES OF BANKRUPTCY JUDGES.—Section 156 of title 28, United States Code, is amended by adding at the end the following new subsection:

''(g)(1) In this subsection, the term 'travel expenses'—

''(A) means the expenses incurred by a bankruptcy judge for travel that is not directly related to any case assigned to such bankruptcy judge; and

''(B) shall not include the travel expenses of a bankruptcy judge if—

''(i) the payment for the travel expenses is paid by such bankruptcy judge from the personal funds of such bankruptcy judge; and

''(ii) such bankruptcy judge does not receive funds (including reimbursement) from the United States or any other person or entity for the payment of such travel expenses.

''(2) Each bankruptcy judge shall annually submit the information required under paragraph (3) to the chief bankruptcy judge for the district in which the bankruptcy judge is assigned.

''(3)(A) Each chief bankruptcy judge shall submit an annual report to the Director of the Administrative Office of the United States Courts on the travel expenses of each bankruptcy judge assigned to the applicable district (including the travel expenses of the chief bankruptcy judge of such district).

''(B) The annual report under this paragraph shall include—

''(i) the travel expenses of each bankruptcy judge, with the name of the bankruptcy judge to whom the travel expenses apply;

''(ii) a description of the subject matter and purpose of the travel relating to each travel expense identified under clause (i), with the name of the bankruptcy judge to whom the travel applies; and

''(iii) the number of days of each travel described under clause (ii), with the name of the bankruptcy judge to whom the travel applies.

''(4)(A) The Director of the Administrative Office of the United States Courts shall—

''(i) consolidate the reports submitted under paragraph (3) into a single report; and

''(ii) annually submit such consolidated report to Congress.

''(B) The consolidated report submitted under this paragraph shall include the specific information required under paragraph (3)(B), including the name of each bankruptcy judge with respect to clauses (i), (ii), and (iii) of paragraph (3)(B).''.

SEC. 323. DEFINITION OF DOMESTIC SUPPORT OBLIGATION.

Section 101 of title 11, United States Code, as amended by section 321(g) of this Act, is amended—

(1) by striking paragraph (12A); and

(2) by inserting after paragraph (14) the following:

''(14A) 'domestic support obligation' means a debt that accrues before or after the entry of an order for relief under this title that is—

''(A) owed to or recoverable by—

''(i) a spouse, former spouse, or child of the debtor or that child's legal guardian; or

''(ii) a governmental unit;

''(B) in the nature of alimony, maintenance, or support (including assistance provided by a govermental unit) of such spouse, former spouse, or child, without regard to whether such debt is expressly so designated;

''(C) established or subject to establishment before or after entry of an order for relief under this title, by reason of applicable provisions of—

''(i) a separation agreement, divorce decree, or property settlement agreement;

''(ii) an order of a court of record; or

''(iii) a determination made in accordance with applicable nonbankruptcy law by a governmental unit; and

''(D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child, or parent solely for the purpose of collecting the debt.''.

SEC. 324. PRIORITIES FOR CLAIMS FOR DOMESTIC SUPPORT OBLIGATIONS.

Section 507(a) of title 11, United States Code, is amended—

(1) by striking paragraph (7);

(2) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(3) in paragraph (2), as redesignated, by striking ''First'' and inserting ''Second'';

(4) in paragraph (3), as redesignated, by striking ''Second'' and inserting ''Third'';

(5) in paragraph (4), as redesignated, by striking ''Third'' and inserting ''Fourth'';

(6) in paragraph (5), as redesignated, by striking ''Fourth'' and inserting ''Fifth'';

(7) in paragraph (6), as redesignated, by striking ''Fifth'' and inserting ''Sixth'';

(8) in paragraph (7), as redesignated, by striking ''Sixth'' and inserting ''Seventh''; and

(9) by inserting before paragraph (2), as redesignated, the following:

''(1) First, allowed claims for domestic support obligations to be paid in the following order on the condition that funds received under this paragraph by a governmental unit in a case under this title be applied:

''(A) Claims that, as of the date of entry of the order for relief, are owed directly to a spouse, former spouse, or child of the debtor, or the parent of such child, without regard to whether the claim is filed by the spouse, former spouse, child, or parent, or is filed by a governmental unit on behalf of that person.

''(B) Claims that, as of the date of entry of the order for relief, are assigned by a spouse, former spouse, child of the debtor, or the parent of that child to a governmental unit or are owed directly to a governmental unit under applicable nonbankruptcy law.''.

SEC. 325. REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.

Title 11, United States Code, is amended—

(1) in section 1129(a), by adding at the end the following:

''(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that become payable after the date on which the petition is filed.'';

(2) in section 1325(a)—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order for such obligation that become payable after the date on which the petition is filed.''; and

(3) in section 1328(a), as amended by section 314 of this Act, in the matter preceding paragraph (1), by inserting '', and with respect to a debtor who is required by a judicial or administrative order to pay a domestic support obligation, certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before or after the petition was filed) have been paid'' after ''completion by the debtor of all payments under the plan''.

SEC. 326. EXCEPTIONS TO AUTOMATIC STAY IN DOMESTIC SUPPORT OBLIGATION PROCEEDINGS.

Section 362(b) of title 11, United States Code, is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) under subsection (a)—

''(A) of the commencement or continuation of an action or proceeding for—

''(i) the establishment of paternity as a part of an effort to collect domestic support obligations; or

''(ii) the establishment or modification of an order for domestic support obligations; or

''(B) the collection of a domestic support obligation from property that is not property of the estate;'';

(2) in paragraph (17), by striking ''or'' at the end;

(3) in paragraph (18), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

''(19) under subsection (a) with respect to the withholding of income pursuant to an order as specified in section 466(b) of the Social Security Act (42 U.S.C. 666(b)); or

''(20) under subsection (a) with respect to—

''(A) the withholding, suspension, or restriction of drivers' licenses, professional and occupational licenses, and recreational licenses pursuant to State law, as specified in section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16)) or with respect to the reporting of overdue support owed by an absent parent to any consumer reporting agency as specified in section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7));

''(B) the interception of tax refunds, as specified in sections 464 and 466(a)(3) of the Social Security Act (42 U.S.C. 664 and 666(a)(3)); or

''(C) the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.).''.

SEC. 327. NONDISCHARGEABILITY OF CERTAIN DEBTS FOR ALIMONY, MAINTENANCE, AND SUPPORT.

Section 523 of title 11, United States Code, as amended by section 202 of this Act, is amended—

(1) in subsection (a), by striking paragraph (5) and inserting the following:

''(5) for a domestic support obligation;'';

(2) in subsection (c), by striking ''(6), or (15)'' and inserting ''or (6)''; and

(3) in paragraph (15), by striking ''governmental unit'' and all through the end of the paragraph and inserting a semicolon.

SEC. 328. CONTINUED LIABILITY OF PROPERTY.

Section 522 of title 11, United States Code, is amended—

(1) in subsection (c), by striking paragraph (1) and inserting the following:

''(1) a debt of a kind specified in paragraph (1) or (5) of section 523(a) (in which case, notwithstanding any provision of applicable nonbankruptcy law to the contrary, such property shall be liable for a debt of a kind specified in section 523(a)(5);''; and

(2) in subsection (f)(1)(A), by striking the dash and all that follows through the end of the subparagraph and inserting ''of a kind that is specified in section 523(a)(5); or''.

SEC. 329. PROTECTION OF DOMESTIC SUPPORT CLAIMS AGAINST PREFERENTIAL TRANSFER MOTIONS.

Section 547(c)(7) of title 11, United States Code, is amended to read as follows:

''(7) to the extent such transfer was a bona fide payment of a debt for a domestic support obligation; or''.

SEC. 330. PROTECTION OF RETIREMENT SAVINGS IN BANKRUPTCY.

(a) IN GENERAL.—Section 522 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) by striking ''(2)(A) any property'' and inserting:

''(3) Property listed in this paragraph is—

''(A) any property'';

(ii) in subparagraph (A), by striking ''and'' at the end;

(iii) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(C) retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986 and which has not been pledged or promised to any person in connection with any extension of credit.'';

(B) by striking paragraph (1) and inserting:

''(2) Property listed in this paragraph is property that is specified under subsection (d) of this section, unless the State law that is applicable to the debtor under paragraph (3)(A) of this subsection specifically does not so authorize.'';

(C) in the matter preceding paragraph (2)—

(i) by striking ''(b)'' and inserting ''(b)(1)'';

(ii) by striking ''paragraph (2)'' both places it appears and inserting ''paragraph (3)'';

(iii) by striking ''paragraph (1)'' each place it appears and inserting ''paragraph (2)''; and

(iv) by striking ''Such property is—''; and

(D) by adding at the end of the subsection the following:

''(4) For purposes of paragraph (3)(C), the following shall apply:

''(A) If the retirement funds are in a retirement fund that has received a favorable determination pursuant to section 7805 of the Internal Revenue Code of 1986, and that determination is in effect as of the date of the commencement of the case under section 301, 302, or 303, those funds shall be presumed to be exempt from the estate.

''(B) If the retirement funds are in a retirement fund that has not received a favorable determination pursuant to such section 7805, those funds are exempt from the estate if the debtor demonstrates that—

''(i) no prior determination to the contrary has been made by a court or the Internal Revenue Service; and

''(ii)(I) the retirement fund is in substantial compliance with the applicable requirements of the Internal Revenue Code of 1986; or

''(II) the retirement fund fails to be in substantial compliance with such applicable requirements, the debtor is not materially responsible for that failure.

''(C) A direct transfer of retirement funds from 1 fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986, pursuant to section 401(a)(31) of the Internal Revenue Code of 1986, or otherwise, shall not cease to qualify for exemption under paragraph (3)(C) by reason of that direct transfer.

''(D)(i) Any distribution that qualifies as an eligible rollover distribution within the meaning of section 402(c) of the Internal Revenue Code of 1986 or that is described in clause (ii) shall not cease to qualify for exemption under paragraph (3)(C) by reason of that distribution.

''(ii) A distribution described in this clause is an amount that—

''(I) has been distributed from a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986; and

''(II) to the extent allowed by law, is deposited in such a fund or account not later than 60 days after the distribution of that amount.''; and

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking ''subsection (b)(1)'' and inserting ''subsection (b)(2)''; and

(B) by adding at the end the following:

''(12) Retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, is amended—

(1) in paragraph (17), by striking ''or'' at the end;

(2) in paragraph (18), by striking the period and inserting ''; or'';

(3) by inserting after paragraph (18) the following:

''(19) under subsection (a), of withholding of income from a debtor's wages and collection of amounts withheld, pursuant to the debtor's agreement authorizing that withholding and collection for the benefit of a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986 that is sponsored by the employer of the debtor, or an affiliate, successor, or predecessor of such employer—

''(A) to the extent that the amounts withheld and collected are used solely for payments relating to a loan from a plan that satisfies the requirements of section 408(b)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(b)(1)); or

''(B) in the case of a loan from a thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of that title.''; and

(4) by adding at the end of the flush material following paragraph (19) the following: ''Paragraph (19) does not apply to any amount owed to a plan referred to in that paragraph that is incurred under a loan made during the 1-year period preceding the filing of a petition. Nothing in paragraph (19) may be construed to provide that any loan made under a governmental plan under section 414(d) of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.''.

(c) EXCEPTIONS TO DISCHARGE.—Section 523(a) of title 11, United States Code, as amended by section 202, is amended—

(1) by striking ''or'' at the end of paragraph (17);

(2) by striking the period at the end of paragraph (18) and inserting ''; or''; and

(3) by adding at the end the following:

''(19) owed to a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(c) of the Internal Revenue Code of 1986, pursuant to—

''(A) a loan permitted under section 408(b)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(b)(1)); or

''(B) a loan from the thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of that title. Paragraph (19) does not apply to any amount owed to a plan referred to in that paragraph that is incurred under a loan made during the 1-year period preceding the filing of a petition. Nothing in paragraph (19) may be construed to provide that any loan made under a governmental plan under section 414(d) of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.''.

(d) PLAN CONTENTS.—Section 1322 of title 11, United States Code, is amended by adding at the end the following:

''(f) A plan may not materially alter the terms of a loan described in section 362(b)(19).''.

SEC. 331. ADDITIONAL AMENDMENTS TO TITLE 11, UNITED STATES CODE.

(a) Section 507(a) of title 11, United States Code, is amended by inserting after paragraph (9) the following:

''(10) Tenth, allowed claims for death or personal injuries resulting from the operation of a motor vehicle or vessel if such operation was unlawful because the debtor was intoxicated from using alcohol, a drug or another substance.''.

(b) Section 523(a)(9) of title 11, United States Code, is amended by inserting ''or vessel'' after ''vehicle''.

SEC. 332. DEBT LIMIT INCREASE.

Section 104(b) of title 11, United States Code, is amended by adding at the end the following:

''(4) The dollar amount in section 101(18) shall be adjusted at the same times and in the same manner as the dollar amounts in paragraph (1) of this subsection, beginning with the adjustment to be made on April 1, 2001.''.

SEC. 333. ELIMINATION OF REQUIREMENT THAT FAMILY FARMER AND SPOUSE RECEIVE OVER 50 PERCENT OF INCOME FROM FARMING OPERATION IN YEAR PRIOR TO BANKRUPTCY.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''the taxable year preceding the taxable year'' and inserting ''at least one of the three calendar years preceding the year''.

SEC. 334. PROHIBITION OF RETROACTIVE ASSESSMENT OF DISPOSABLE INCOME.

(a) Section 1225(b) of title 11, United States Code, is amended by adding at the end the following:

''(3) If the plan provides for specific amounts of property to be distributed on account of allowed unsecured claims as required by paragraph (1)(B) of this subsection, those amounts equal or exceed the debtor's projected disposable income for that period, and the plan meets the requirements for confirmation other than those of this subsection, the plan shall be confirmed.

(b) Section 1229 of title 11, United States Code, is amended by adding at the end the following:

''(d)(1) A modification of the plan under this section may not increase the amount of payments that were due prior to the date of the order modifying the plan.

''(2) A modification of the plan under this section to increase payments based on an increase in the debtor's disposable income may not require payments to unsecured creditors in any particular month greater than the debtor's disposable income for that month unless the debtor proposes such a modification.

''(3) A modification of the plan in the last year of the plan shall not require payments that would leave the debtor with insufficient funds to carry on the farming operation after the plan is completed unless the debtor proposes such a modification.''.

SEC. 335. AMENDMENT TO SECTION 1325 OF TITLE 11, UNITED STATES CODE.

Section 1325(b)(2) of title 11, United States Code, is amended by inserting after ''received by the debtor'', ''(other than child support payments, foster care payments, or disability payments for a dependent child made in accordance with applicable nonbankruptcy law and which is reasonably necessary to be expended)''.

SEC. 336. PROTECTION OF SAVINGS EARMARKED FOR THE POSTSECONDARY EDUCATION OF CHILDREN

Section 541(b) of title 11, United States Code, as amended by section 404 of this Act, is amended—

(1) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(2) by inserting after paragraph (6) the following:

''(7) except as otherwise provided under applicable State law, any funds placed in a qualified State tuition program (as described in section 529(b) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief; or

''(8) any funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief.''.

TITLE IV—FINANCIAL INSTRUMENTS

SEC. 401. BANKRUPTCY CODE AMENDMENTS.

(a) DEFINITIONS OF SWAP AGREEMENT, SECURITIES CONTRACT, FORWARD CONTRACT, COMMODITY CONTRACT, AND REPURCHASE AGREEMENT.—Title 11, United States Code, is amended—

(1) in section 101—

(A) in paragraph (25)—

(i) by striking ''means a contract'' and inserting ''means—

''(A) a contract'';

(ii) by striking '', or any combination thereof or option thereon;'' and inserting '', or any other similar agreement;''; and

(iii) by adding at the end the following new subparagraphs:

''(B) any combination of agreements or transactions referred to in subparagraphs (A) and (C);

''(C) any option to enter into any agreement or transaction referred to in subparagraph (A) or (B);

''(D) a master agreement that provides for an agreement or transaction referred to in subparagraph (A), (B) or (C), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this paragraph, except that the master agreement shall be considered to be a forward contract under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in subparagraph (A), (B) or (C); or

''(E) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subparagraph (A), (B), (C) or (D);'';

(B) by amending paragraph (47) to read as follows:

''(47) the term 'repurchase agreement' (which definition also applies to a reverse repurchase agreement)—

''(A) means—

''(i) an agreement, including related terms, which provides for the transfer of 1 or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities or securities that are direct obligations of, or that are fully guaranteed as to principal and interest by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, loans or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, loans, or interests as described above, at a date certain not later than 1 year after such transfers or on demand, against the transfer of funds; or any other similar agreement; and

''(ii) any combination of agreements or transactions referred to in clauses (i) and (iii);

''(iii) any option to enter into any agreement or transaction referred to in clause (i) or (ii);

''(iv) a master agreement that provides for an agreement or transaction referred to in clauses (i), (ii) or (iii), together with all supplements, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this subparagraph, except that the master agreement shall be considered to be a repurchase agreement under this subparagraph only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii) or (iii); or

''(v) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in clauses (i), (ii), (iii) or (iv); and

''(B) does not include any repurchase obligation under a participation in a commercial mortgage loan,

and, for purposes of this paragraph, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development.''; and

(C) by amending paragraph (53B) to read as follows:

''(53B) the term 'swap agreement'—

''(A) means—

''(i) any agreement, including the terms and conditions incorporated by reference in any such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a debt index or debt swap, option, future, or forward agreement; a credit spread or credit swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement;

''(ii) any agreement similar to any other agreement or transaction referred to in this subparagraph that—

''(I) is presently, or in the future becomes, regularly entered into in the swap agreement market (including terms and conditions incorporated by reference therein); and

''(II) is a forward, swap, future, or option on 1 or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value;

''(iii) any combination of agreements or transactions referred to in this subparagraph;

''(iv) any option to enter into any agreement or transaction referred to in this subparagraph;

''(v) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), or (iv), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is described in any of such clause, except that the master agreement shall be considered to be a swap agreement only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii), (iii), or (iv); or

''(C) is applicable for purposes of this title only and shall not be construed or applied to challenge or affect the characterization, definition, or treatment of any swap agreement or any instrument defined as a swap agreement herein, under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations prescribed by the Securities and Exchange Commission or the Commodity Futures Trading Commission.'';

(2) by amending section 741(7) to read as follows:

''(7) the term 'securities contract'—

''(A) means—

''(i) a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan or any interest in a mortgage loan, or a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index or option;

''(ii) any option entered into on a national securities exchange relating to foreign currencies;

''(iii) the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interest therein, or group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index or option;

''(iv) any margin loan;

''(v) any other agreement or transaction that is similar to any agreement or transaction referred to in this subparagraph;

''(vi) any combination of the agreements or transactions referred to in this subparagraph;

''(vii) any option to enter into any agreement or transaction referred to in this subparagraph;

''(viii) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this subparagraph, except that the master agreement shall be considered to be a securities contract under this subparagraph only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii); and

''(ix) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this subparagraph; and

''(B) does not include any purchase, sale, or repurchase obligation under a participation in or servicing agreement for a commercial mortgage loan.''; and

(3) in section 761(4)—

(A) by striking ''or'' at the end of subparagraph (D); and

(B) by adding at the end the following new subparagraphs:

''(F) any other agreement or transaction that is similar to any agreement or transaction referred to in this paragraph;

''(G) any combination of the agreements or transactions referred to in this paragraph;

''(H) any option to enter into any agreement or transaction referred to in this paragraph;

''(I) a master agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), (C), (D), (E), (F), (G) or (H), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this paragraph, except that the master agreement shall be considered to be a commodity contract under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in subparagraph (A), (B), (C), (D), (E), (F), (G) or (H); or

''(J) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this paragraph;''.

(b) DEFINITIONS OF FINANCIAL INSTITUTION, FINANCIAL PARTICIPANT, AND FORWARD CONTRACT MERCHANT.—Section 101 of title 11, United States Code, is amended—

(1) by amending paragraph (22) to read as follows:

''(22) the term 'financial institution' means a Federal reserve bank, or a person that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, or receiver or conservator for such person and, when any such Federal reserve bank, receiver, or conservator or person acting as agent or custodian for a customer in connection with a securities contract, as defined in section 741(7) of this title, such customer;'';

(2) by inserting after paragraph (22) the following new paragraph:

''(22A) the term 'financial participant' means any entity that, at the time it enters into a securities contract, commodity contract or forward contract, or at the time of the filing of the petition, has 1 or more agreements or transactions that is described in section 561(a)(2) with the debtor or any other entity (other than an affiliate) of a total gross dollar value of at least $1,000,000,000 in notional or actual principal amount outstanding on any day during the previous 15-month period, or has gross mark-to-market positions of at least $100,000,000 (aggregated across counterparties) in 1 or more such agreements or transactions with the debtor or any other entity (other than an affiliate) on any day during the previous 15-month period;''; and

(3) by amending paragraph (26) to read as follows:

''(26) the term 'forward contract merchant' means a Federal reserve bank, or a person whose business consists in whole or in part of entering into forward contracts as or with merchants or in a commodity, as defined or in section 761(8) of this title, or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing or in the forward contract trade;''.

(c) DEFINITION OF MASTER NETTING AGREEMENT AND MASTER NETTING AGREEMENT PARTICIPANT.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (38) the following new paragraphs:

''(38A) the term 'master netting agreement' means an agreement providing for the exercise of rights, including rights of netting, setoff, liquidation, termination, acceleration, or closeout, under or in connection with 1 or more contracts that are described in any 1 or more of paragraphs (1) through (5) of section 561(a), or any security agreement or arrangement or other credit enhancement related to 1 or more of the foregoing. If a master netting agreement contains provisions relating to agreements or transactions that are not contracts described in paragraphs (1) through (5) of section 561(a), the master netting agreement shall be deemed to be a master netting agreement only with respect to those agreements or transactions that are described in any 1 or more of the paragraphs (1) through (5) of section 561(a);

''(38B) the term 'master netting agreement participant' means an entity that, at any time before the filing of the petition, is a party to an outstanding master netting agreement with the debtor;''.

(d) SWAP AGREEMENTS, SECURITIES CONTRACTS, COMMODITY CONTRACTS, FORWARD CONTRACTS, REPURCHASE AGREEMENTS, AND MASTER NETTING AGREEMENTS UNDER THE AUTOMATIC-STAY.—

(1) IN GENERAL.—Section 362(b) of title 11, United States Code, is amended—

(A) in paragraph (6), by inserting '', pledged to, and under the control of,'' after ''held by'';

(B) in paragraph (7), by inserting '', pledged to, and under the control of,'' after ''held by'';

(C) by amending paragraph (17) to read as follows:

''(17) under subsection (a), of the setoff by a swap participant of any mutual debt and claim under or in connection with 1 or more swap agreements that constitute the setoff of a claim against the debtor for any payment due from the debtor under or in connection with any swap agreement against any payment due to the debtor from the swap participant under or in connection with any swap agreement or against cash, securities, or other property of the debtor held by, pledged to, and under the control of, or due from such swap participant to guarantee, secure, or settle any swap agreement;'';

(D) in paragraph (20), by striking ''or'' at the end;

(E) in paragraph (21), by striking the period and inserting ''; or''; and

(F) by inserting after paragraph (18) the following new paragraph:

''(22) under subsection (a), of the setoff by a master netting agreement participant of a mutual debt and claim under or in connection with

1 or more master netting agreements to the extent such participant could offset the claim under paragraph (6), (7), or (17) for each individual contract covered by the master netting agreement in issue.''.

(2) LIMITATION.—Section 362 of title 11, United States Code, is amended by adding at the end the following new subsection:

''(i) LIMITATION.—The exercise of rights not subject to the stay arising under subsection (a) pursuant to paragraph (6), (7), (17), or (22) of subsection (b) shall not be stayed by any order of a court or administrative agency in any proceeding under this title.''.

(e) LIMITATION OF AVOIDANCE POWERS UNDER MASTER NETTING AGREEMENT.—Section 546 of title 11, United States Code, is amended—

(1) in subsection (g) (as added by section 103 of Public Law 101–311)—

(A) by striking ''under a swap agreement'';

(B) by striking ''in connection with a swap agreement'' and inserting ''under or in connection with any swap agreement'';

(2) by redesignating subsection (g) (as added by section 222(a) of Public Law 103–394) as subsection (i); and

(3) by inserting before subsection (i) (as redesignated) the following new subsection:

''(h) Notwithstanding sections 544, 545, 547, 548(a)(2), and 548(b) of this title, to the extent that under subsection (e), (f), or (g), the trustee may not avoid a transfer made by or to a master netting agreement participant under or in connection with each individual contract covered by any master netting agreement that is made before the commencement of the case, the trustee may not avoid a transfer made by or to such master netting agreement participant under or in connection with the master netting agreement in issue, except under section 548(a)(1) of this title.''.

(f) FRAUDULENT TRANSFERS OF MASTER NETTING AGREEMENTS.—Section 548(d)(2) of title 11, United States Code, is amended—

(1) in subparagraph (C), by striking ''and'';

(2) in subparagraph (D), by striking the period and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(E) a master netting agreement participant that receives a transfer in connection with a master netting agreement takes for value to the extent of such transfer, but only to the extent that such participant would take for value under paragraph (B), (C), or (D) for each individual contract covered by the master netting agreement in issue.''.

(g) TERMINATION OR ACCELERATION OF SECURITIES CONTRACTS.—Section 555 of title 11, United States Code, is amended—

*(1) by amending the section heading to read ''**Contractual right to liquidate, terminate, or accelerate a securities contract**''; and*

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(h) TERMINATION OR ACCELERATION OF COMMODITIES OR FORWARD CONTRACTS.—Section 556 of title 11, United States Code, is amended—

*(1) by amending the section heading to read ''**Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract**''; and*

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(i) TERMINATION OR ACCELERATION OF REPURCHASE AGREEMENTS.—Section 559 of title 11, United States Code, is amended—

*(1) by amending the section heading to read ''**Contractual right to liquidate, terminate, or accelerate a repurchase agreement**''; and*

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(j) LIQUIDATION, TERMINATION, OR ACCELERATION OF SWAP AGREEMENTS.—Section 560 of title 11, United States Code, is amended—

*(1) by amending the section heading to read ''**Contractual right to liquidate, terminate, or accelerate a swap agreement**''; and*

(2) in the first sentence, by striking ''termination of a swap agreement'' and inserting ''liquidation, termination, or acceleration of 1 or more swap agreements''; and

(3) by striking ''in connection with any swap agreement'' and inserting ''in connection with the termination, liquidation, or acceleration of 1 or more swap agreements''.

(k) LIQUIDATION, TERMINATION, ACCELERATION, OR OFFSET UNDER A MASTER NETTING AGREEMENT AND ACROSS CONTRACTS.—Title 11, United States Code, is amended by inserting after section 560 the following new section:

''§ 561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts

''(a) IN GENERAL.—Subject to subsection (b), the exercise of any contractual right, because of a condition of the kind specified in section 365(e)(1), to cause the termination, liquidation, or acceleration of or to offset, or net termination values, payment amounts or other transfer obligations arising under or in connection with the termination, liquidation, or acceleration of 1 or more—

''(1) securities contracts, as defined in section 741(7);

''(2) commodity contracts, as defined in section 761(4);

''(3) forward contracts;

''(4) repurchase agreements;

''(5) swap agreements; or

''(6) master netting agreements,

shall not be stayed, avoided, or otherwise limited by operation of any provision of this title or by any order of a court or administrative agency in any proceeding under this title.

''(b) EXCEPTION.—

''(1) A party may exercise a contractual right described in subsection (a) to terminate, liquidate, or accelerate only to the extent that such party could exercise such a right under section 555, 556, 559, or 560 for each individual contract covered by the master netting agreement in issue.

''(2)(A) A party may not exercise a contractual right described in subsection (a) to offset or to net obligations arising under, or in connection with, a commodity contract against obligations arising under, or in connection with, any instrument listed in subsection (a) if the obligations are not mutual.

''(B) If a debtor is a commodity broker subject to subchapter IV of chapter 7 of this title, a party may not net or offset an obligation to the debtor arising under, or in connection with, a commodity contract against any claim arising under, or in connection with, other instruments listed in subsection (a) if the party has no positive net equity in the commodity account at the debtor, as calculated under subchapter IV.

''(c) DEFINITION.—As used in this section, the term 'contractual right' includes a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency, a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right whether or not evidenced in writing arising under common law, under law merchant, or by reason of normal business practice.''.

(l) MUNICIPAL BANKRUPTCIES.—Section 901 of title 11, United States Code, is amended—

(1) by inserting '', 555, 556'' after ''553''; and

(2) by inserting '', 559, 560, 561, 562'' after ''557''.

(m) ANCILLARY PROCEEDINGS.—Section 304 of title 11, United States Code, is amended by adding at the end the following new subsection:

''(d) Any provisions of this title relating to securities contracts, commodity contracts, forward contracts, repurchase agreements, swap agreements, or master netting agreements shall apply in a case ancillary to a foreign proceeding under this section or any other section of this title so that enforcement of contractual provisions of such contracts and agreements in accordance with their terms will not be stayed or otherwise limited by operation of any provision of this title or by order of a court in any proceeding under this title, and to limit avoidance powers to the same extent as in a proceeding under chapter 7 or 11 of this title (such enforcement not to be limited based on the presence or absence of assets of the debtor in the United States).''.

(n) COMMODITY BROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 766 the following new section:

''§ 767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants

''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights or affect the provisions of this subchapter IV regarding customer property or distributions.''.

(o) STOCKBROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 752 the following new section:

''§ 753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants

''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of rights or affect the provisions of this subchapter regarding customer property or distributions.''.

(p) SETOFF.—Section 553 of title 11, United States Code, is amended—

(1) in subsection (a)(3)(C), by inserting ''(except for a setoff of a kind described in section 362(b)(6), 362(b)(7), 362(b)(17), 555, 556, 559, 560, or 561 of this title)'' before the period; and

(2) in subsection (b)(1), by striking ''362(b)(14),'' and inserting ''362(b)(17), 555, 556, 559, 560, 561''.

(q) SECURITIES CONTRACTS, COMMODITY CONTRACTS, AND FORWARD CONTRACTS.—Title 11, United States Code, is amended—

(1) in section 362(b)(6), by striking ''financial institutions,'' each place such term appears and inserting ''financial institution, financial participant'';

(2) in section 546(e), by inserting ''financial participant'' after ''financial institution,'';

(3) in section 548(d)(2)(B), by inserting ''financial participant'' after ''financial institution,'';

(4) in section 555—

(A) by inserting ''financial participant'' after ''financial institution,''; and

(B) by inserting before the period '', a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice''; and

(5) in section 556, by inserting '', financial participant'' after ''commodity broker''.

(r) TECHNICAL AND CONFORMING AMENDMENT.—Section 104 of title 11, United States Code, is amended by adding at the end the following new subsection:

''(c) EXCEPTION FOR CERTAIN DEFINED TERMS.—No adjustments shall be made under this section to the dollar amounts set forth in the definition of the term 'financial participant' in section 101(22A).''.

SEC. 402. RECORDKEEPING REQUIREMENTS.

Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended by adding at the end the following new subparagraph:

SEC. 403. DAMAGE MEASURE.

(a) Title 11, United States Code, is amended by inserting after section 561 (as added by section 7(k)) the following new section:

''§561. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements

''If the trustee rejects a swap agreement, securities contract as defined in section 741 of this title, forward contract, repurchase agreement, or master netting agreement pursuant to section 365(a) of this title, or if a forward contract merchant, stockbroker, financial institution, securities clearing agency, repo participant, master netting agreement participant, or swap participant liquidates, terminates, or accelerates any such contract or agreement, damages shall be measured as of the earlier of—

''(1) the date of such rejection; or

''(2) the date of such liquidation, termination, or acceleration.''.

(b) CLAIMS ARISING FROM REJECTION.—Section 502(g) of title 11, United States Code, is amended—

(1) by designating the existing text as paragraph (1); and

(2) by adding at the end the following new paragraph:

''(2) A claim for damages calculated in accordance with section 562 of this title shall be allowed under subsection (a),(b), or (c) of this section or disallowed under subsection (d) or (e) of this section as if such claim had arisen before the date of the filing of the petition.''.

SEC. 404. ASSET-BACKED SECURITIZATIONS.

Section 541 of title 11, United States Code, is amended—

(1) in subsection (b), by striking ''or'' at the end of paragraph (4);

(2) by redesignating paragraph (5) of subsection (b) as paragraph (6);

(3) by inserting after paragraph (4) of subsection (b) the following new paragraph:

''(5) any eligible asset (or proceeds thereof), to the extent that such eligible asset was transferred by the debtor, before the date of commencement of the case, to an eligible entity in connection with an asset-backed securitization, except to the extent such asset (or proceeds or value thereof) may be recovered by the trustee under section 550 by virtue of avoidance under section 548(a); or''; and

(4) by adding at the end the following new subsection:

''(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) ASSET-BACKED SECURITIZATION.—The term 'asset-backed securitization' means a transaction in which eligible assets transferred to an eligible entity are used as the source of payment on securities, the most senior of which are rated investment grade by 1 or more nationally recognized securities rating organizations, issued by an issuer;

''(2) ELIGIBLE ASSET.—The term 'eligible asset' means—

''(A) financial assets (including interests therein and proceeds thereof), either fixed or revolving, including residential and commercial mortgage loans, consumer receivables, trade receivables, and lease receivables, that, by their terms, convert into cash within a finite time period, plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders;

''(B) cash; and

''(C) securities.

''(3) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) an issuer; or

''(B) a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and transferring eligible assets directly or indirectly to an issuer and taking actions ancillary thereto;

''(4) ISSUER.—The term 'issuer' means a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and holding eligible assets, issuing securities backed by eligible assets, and taking actions ancillary thereto.

''(5) TRANSFERRED.—The term 'transferred' means the debtor, pursuant to a written agreement, represented and warranted that eligible assets were sold, contributed, or otherwise conveyed with the intention of removing them from the estate of the debtor pursuant to subsection (b)(5), irrespective, without limitation of—

''(A) whether the debtor directly or indirectly obtained or held an interest in the issuer or in any securities issued by the issuer;

''(B) whether the debtor had an obligation to repurchase or to service or supervise the servicing of all or any portion of such eligible assets; or

''(C) the characterization of such sale, contribution, or other conveyance for tax, accounting, regulatory reporting, or other purposes.''.

SEC. 405. PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.

Section 106 of the Truth in Lending Act (15 U.S.C. 1605) is amended by adding at the end the following:

''(g) PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.—A creditor may not, solely because a consumer has not incurred finance charges in connection with an extension of credit—

''(1) refuse to renew or continue to offer the extension of credit to that consumer; or

''(2) charge a fee to that consumer in lieu of a finance charge.''.

SEC. 406. FEES ARISING FROM CERTAIN OWNERSHIP INTERESTS.

Section 523(a)(16) of title 11, United States Code, is amended—

(1) by striking ''dwelling'' the first place it appears;

(2) by striking ''ownership or'' and inserting ''ownership,'';

(3) by striking ''housing'' the first place it appears; and

(4) by striking ''but only'' and all that follows through ''such period,'', and inserting ''or a lot in a homeowners association, for as long as the debtor or the trustee has a legal, equitable, or possessory ownership interest in such unit, such corporation, or such lot,''.

SEC. 407. BANKRUPTCY FEES.

Section 1930 of title 28, United States Code, is amended—

(1) in subsection (a), by striking ''Notwithstanding section 1915 of this title, the parties'' and inserting ''Subject to subsection (f), the parties''; and

(2) by adding at the end the following:

''(f)(1) The Judicial Conference of the United States shall prescribe procedures for waiving fees under this subsection.

''(2) Under the procedures described in paragraph (1), the district court or the bankruptcy court may waive a filing fee described in paragraph (3) for a case commenced under chapter 7 of title 11 if the court determines that an individual debtor is unable to pay that fee in installments.

''(3) A filing fee referred to in paragraph (2) is—

''(A) a filing fee under subsection (a)(1); or

''(B) any other fee prescribed by the Judicial Conference of the United States under subsection (b) that is payable to the clerk of the district court or the clerk of the bankruptcy court upon the commencement of a case under chapter 7 of title 11.

''(4) In addition to waiving a fee described in paragraph (3) under paragraph (2), the district court or the bankruptcy court may waive any other fee prescribed under subsection (b) or (c) if the court determines that the individual is unable to pay that fee in installments.''.

SEC. 408. APPLICABILITY.

The amendments made by this title shall apply with respect to cases commenced or appointments made under any Federal or State law after the date of enactment of this Act.

TITLE V—ANCILLARY AND OTHER CROSS-BORDER CASES

SEC. 501. AMENDMENT TO ADD A CHAPTER 6 TO TITLE 11, UNITED STATES CODE.

(a) IN GENERAL.—Title 11, United States Code, is amended by inserting after chapter 5 the following:

''CHAPTER 6—ANCILLARY AND OTHER CROSS-BORDER CASES

''§ 601. Purpose and scope of application

''(a) The purpose of this chapter is to incorporate the Model Law on Cross-Border Insolvency so as to provide effective mechanisms for dealing with cases of cross-border insolvency with the objectives of—

''(1) cooperation between—

''(A) United States courts, United States Trustees, trustees, examiners, debtors, and debtors in possession; and

''(B) the courts and other competent authorities of foreign countries involved in cross-border insolvency cases;

''(2) greater legal certainty for trade and investment;

''(3) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors, and other interested entities, including the debtor;

''(4) protection and maximization of the value of the debtor's assets; and

''(5) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

''(b) This chapter applies where—

''(1) assistance is sought in the United States by a foreign court or a foreign representative in connection with a foreign proceeding;

''(2) assistance is sought in a foreign country in connection with a case under this title;

''(3) a foreign proceeding and a case under this title with respect to the same debtor are taking place concurrently; or

''(4) creditors or other interested persons in a foreign country have an interest in requesting the commencement of, or participating in, a case or proceeding under this title.

''(c) This chapter does not apply to—

''(1) a proceeding concerning an entity identified by exclusion in subsection 109(b); or

''(2) a natural person or a natural person and that person's spouse who have debts within the limits specified in under section 109(e) and who are citizens of the United States or aliens lawfully admitted for permanent residence in the United States.

''SUBCHAPTER I—GENERAL PROVISIONS

''§ 602. Definitions

''For the purposes of this chapter, the term—

''(1) 'debtor' means an entity that is the subject of a foreign proceeding;

''(2) 'establishment' means any place of operations where the debtor carries out a nontransitory economic activity;

''(3) 'foreign court' means a judicial or other authority competent to control or supervise a foreign proceeding;

''(4) 'foreign main proceeding' means a foreign proceeding taking place in the country where the debtor has the center of its main interests;

''(5) 'foreign nonmain proceeding' means a foreign proceeding, other than a foreign main proceeding, taking place in a country where the debtor has an establishment;

''(6) 'trustee' includes a trustee, a debtor in possession in a case under any chapter of this title, or a debtor under chapters 9 or 13 of this title; and

''(7) 'within the territorial jurisdiction of the United States' when used with reference to property of a debtor refers to tangible property located within the territory of the United States and intangible property deemed to be located within that territory, including any property that may properly be seized or garnished by an action in a Federal or State court in the United States.

''§ 603. International obligations of the United States

''To the extent that this chapter conflicts with an obligation of the United States arising out of any treaty or other form of agreement to which it is a party with 1 or more other countries, the requirements of the treaty or agreement prevail.

''§ 604. Commencement of ancillary case

''A case under this chapter is commenced by the filing of a petition for recognition of a foreign proceeding under section 615.

''§ 605. Authorization to act in a foreign country

''A trustee or another entity designated by the court may be authorized by the court to act in a foreign country on behalf of an estate created under section 541. An entity authorized to act under this section may act in any way permitted by the applicable foreign law.

''§ 606. Public policy exception

''Nothing in this chapter prevents the court from refusing to take an action governed by this chapter if the action would be manifestly contrary to the public policy of the United States.

''§ 607. Additional assistance

''(a) Nothing in this chapter limits the power of the court, upon recognition of a foreign proceeding, to provide additional assistance to a foreign representative under this title or under other laws of the United States.

''(b) In determining whether to provide additional assistance under this title or under other laws of the United States, the court shall consider whether such additional assistance, consistent with the principles of comity, will reasonably assure—

''(1) just treatment of all holders of claims against or interests in the debtor's property;

''(2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in such foreign proceeding;

''(3) prevention of preferential or fraudulent dispositions of property of the debtor;

''(4) distribution of proceeds of the debtor's property substantially in accordance with the order prescribed by this title; and

''(5) if appropriate, the provision of an opportunity for a fresh start for the individual that such foreign proceeding concerns.

''§ 608. Interpretation

''In interpreting this chapter, the court shall consider its international origin, and the need to promote an application of this chapter that is consistent with the application of similar statutes adopted by foreign jurisdictions.

''SUBCHAPTER II—ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THE COURT

''§ 609. Right of direct access

''(a) A foreign representative is entitled to commence a case under section 604 by filing a petition for recognition under section 615, and upon recognition, to apply directly to other Federal and State courts for appropriate relief in those courts.

''(b) Upon recognition, and subject to section 610, a foreign representative has the capacity to sue and be sued.

''(c) Recognition under this chapter is prerequisite to the granting of comity or cooperation to a foreign proceeding in any State or Federal court in the United States. Any request for comity or cooperation in any court shall be accompanied by a sworn statement setting forth whether recognition under section 615 has been sought and the status of any such petition.

''(d) Upon denial of recognition under this chapter, the court may issue appropriate orders necessary to prevent an attempt to obtain comity or cooperation from courts in the United States without such recognition.

''§ 610. Limited jurisdiction

''The sole fact that a foreign representative files a petition under sections 604 and 615 does not subject the foreign representative to the jurisdiction of any court in the United States for any other purpose.

''§ 611. Commencement of bankruptcy case under section 301 or 303

''(a) Upon filing a petition for recognition, a foreign representative may commence—

''(1) an involuntary case under section 303; or

''(2) a voluntary case under section 301 or 302, if the foreign proceeding is a foreign main proceeding.

''(b) The petition commencing a case under subsection (a) of this section must be accompanied by a statement describing the petition for recognition and its current status. The court where the petition for recognition has been filed must be advised of the foreign representative's intent to commence a case under subsection (a) of this section prior to such commencement.

''(c) A case under subsection (a) shall be dismissed unless recognition is granted.

''§ 612. Participation of a foreign representative in a case under this title

''Upon recognition of a foreign proceeding, the foreign representative in that proceeding is entitled to participate as a party in interest in a case regarding the debtor under this title.

''§ 613. Access of foreign creditors to a case under this title

''(a) Foreign creditors have the same rights regarding the commencement of, and participation in, a case under this title as domestic creditors.

''(b)(1) Subsection (a) of this section does not change or codify law in effect on the date of enactment of this chapter as to the priority of claims under section 507 or 726, except that the claim of a foreign creditor under those sections shall not be given a lower priority than the class of general unsecured claims without priority solely because the holder of such claim is a foreign creditor.

''(2)(A) Subsection (a) of this section and paragraph (1) of this subsection do not change or codify law in effect on the date of enactment of this chapter as to the allowability of foreign revenue claims or other foreign public law claims in a proceeding under this title.

''(B) Allowance and priority as to a foreign tax claim or other foreign public law claim shall be governed by any applicable tax treaty of the United States, under the conditions and circumstances specified therein.

''§ 614. Notification to foreign creditors concerning a case under this title

''(a) Whenever in a case under this title, notice is to be given to creditors generally or to any class or category of creditors, such notice shall also be given to the known creditors generally, or to creditors in the notified class or category, that do not have addresses in the United States. The court may order that appropriate steps be taken with a view to notifying any creditor whose address is not yet known.

''(b) The notification to creditors with foreign addresses described in subsection (a) shall be given individually, unless the court considers that, under the circumstances, some other form of notification would be more appropriate. No letters rogatory or other similar formality is required.

''(c) When a notification of commencement of a case is to be given to foreign creditors, the notification shall—

''(1) indicate the time period for filing proofs of claim and specify the place for their filing;

''(2) indicate whether secured creditors need to file their proofs of claim; and

''(3) contain any other information required to be included in such a notification to creditors pursuant to this title and the orders of the court.

''(d) Any rule of procedure or order of the court as to notice or the filing of a claim shall provide such additional time to creditors with foreign addresses as is reasonable under the circumstances.

''SUBCHAPTER III—RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF

''§ 615. Application for recognition of a foreign proceeding

''(a) A foreign representative applies to the court for recognition of the foreign proceeding in which the foreign representative has been appointed by filing a petition for recognition.

''(b) A petition for recognition shall be accompanied by—

''(1) a certified copy of the decision commencing the foreign proceeding and appointing the foreign representative;

''(2) a certificate from the foreign court affirming the existence of the foreign proceeding and of the appointment of the foreign representative; or

''(3) in the absence of evidence referred to in paragraphs (1) and (2), any other evidence acceptable to the court of the existence of the foreign proceeding and of the appointment of the foreign representative.

''(c) A petition for recognition shall also be accompanied by a statement identifying all foreign proceedings with respect to the debtor that are known to the foreign representative.

''(d) The documents referred to in paragraphs (1) and (2) of subsection (b) must be translated into English. The court may require a translation into English of additional documents.

''§ 616. Presumptions concerning recognition

''(a) If the decision or certificate referred to in section 615(b) indicates that the foreign proceeding is a foreign proceeding within the meaning of section 101(23) and that the person or body is a foreign representative within the meaning of section 101(24), the court is entitled to so presume.

''(b) The court is entitled to presume that documents submitted in support of the petition for recognition are authentic, whether the documents have been subjected to legal processing under applicable law.

''(c) In the absence of evidence to the contrary, the debtor's registered office, or habitual residence in the case of an individual, is presumed to be the center of the debtor's main interests.

''§ 617. Order recognizing a foreign proceeding

''(a) Subject to section 606, an order recognizing a foreign proceeding shall be entered if—

''(1) the foreign proceeding is a foreign main proceeding or foreign nonmain proceeding within the meaning of section 602 and is a foreign proceeding within the meaning of section 101(23);

''(2) the person or body applying for recognition is a foreign representative within the meaning of section 101(24); and

''(3) the petition meets the requirements of section 615.

''(b) The foreign proceeding shall be recognized—

''(1) as a foreign main proceeding if it is taking place in the country where the debtor has the center of its main interests; or

''(2) as a foreign nonmain proceeding if the debtor has an establishment within the meaning of section 602 in the foreign country where the proceeding is pending.

''(c) A petition for recognition of a foreign proceeding shall be decided upon at the earliest possible time. Entry of an order recognizing a foreign proceeding shall constitute recognition under this chapter.

''(d) The provisions of this subchapter do not prevent modification or termination of recognition if it is shown that the grounds for granting it were fully or partially lacking or have ceased to exist, but in considering such action the court shall give due weight to possible prejudice to parties that have relied upon the granting of recognition. The foreign proceeding may be closed in the manner prescribed for a case under section 350.

''§ 618. Subsequent information

''From the time of filing the petition for recognition of the foreign proceeding, the foreign representative shall file with the court promptly a notice of change of status concerning—

''(1) any substantial change in the status of the foreign proceeding or the status of the foreign representative's appointment; and

''(2) any other foreign proceeding regarding the debtor that becomes known to the foreign representative.

''§ 619. Relief that may be granted upon petition for recognition of a foreign proceeding

''(a) From the time of filing a petition for recognition until the petition is decided upon, the court may, at the request of the foreign representative, where relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant relief of a provisional nature, including—

''(1) staying execution against the debtor's assets;

''(2) entrusting the administration or realization of all or part of the debtor's assets located in the United States to the foreign representative or another person designated by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy; and

''(3) any relief referred to in paragraph (3), (4), or (7) of section 621(a).

''(b) Unless extended under section 621(a)(6), the relief granted under this section terminates when the petition for recognition is decided upon.

''(c) It is a ground for denial of relief under this section that such relief would interfere with the administration of a foreign main proceeding.

''(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

''(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under this section.

''§ 620. Effects of recognition of a foreign main proceeding

''(a) Upon recognition of a foreign proceeding that is a foreign main proceeding—

''(1) section 362 applies with respect to the debtor and that property of the debtor that is within the territorial jurisdiction of the United States; and

''(2) transfer, encumbrance, or any other disposition of an interest of the debtor in property within the territorial jurisdiction of the United States is restrained as and to the extent that is provided for property of an estate under sections 363, 549, and 552.

Unless the court orders otherwise, the foreign representative may operate the debtor's business and may exercise the powers of a trustee under section 549, subject to sections 363 and 552.

''(b) The scope, and the modification or termination, of the stay and restraints referred to in subsection (a) of this section are subject to the exceptions and limitations provided in subsections (b), (c), and (d) of section 362, subsections (b) and (c) of section 363, and sections 552, 555 through 557, 559, and 560.

''(c) Subsection (a) of this section does not affect the right to commence individual actions or proceedings in a foreign country to the extent necessary to preserve a claim against the debtor.

''(d) Subsection (a) of this section does not affect the right of a foreign representative or an entity to file a petition commencing a case under this title or the right of any party to file claims or take other proper actions in such a case.

''§ 621. Relief that may be granted upon recognition of a foreign proceeding

''(a) Upon recognition of a foreign proceeding, whether main or nonmain, where necessary to effectuate the purpose of this chapter and to protect the assets of the debtor or the interests of the creditors, the court may, at the request of the foreign representative, grant any appropriate relief, including—

''(1) staying the commencement or continuation of individual actions or individual proceedings concerning the debtor's assets, rights, obligations or liabilities to the extent they have not been stayed under section 620(a);

''(2) staying execution against the debtor's assets to the extent it has not been stayed under section 620(a);

''(3) suspending the right to transfer, encumber or otherwise dispose of any assets of the debtor to the extent this right has not been suspended under section 620(a);

''(4) providing for the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor's assets, affairs, rights, obligations or liabilities;

''(5) entrusting the administration or realization of all or part of the debtor's assets within the territorial jurisdiction of the United States to the foreign representative or another person, including an examiner, designated by the court;

''(6) extending relief granted under section 619(a); and

''(7) granting any additional relief that may be available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724(a).

''(b) Upon recognition of a foreign proceeding, whether main or nonmain, the court may, at the request of the foreign representative, entrust the distribution of all or part of the debtor's assets located in the United States to the foreign representative or another person, including an examiner, designated by the court, provided that the court is satisfied that the interests of creditors in the United States are sufficiently protected.

''(c) In granting relief under this section to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

''(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

''§ 622. Protection of creditors and other interested persons

''(a) In granting or denying relief under section 619 or 621, or in modifying or terminating relief under subsection (c) of this section, the court must find that the interests of the creditors and other interested persons or entities, including the debtor, are sufficiently protected.

''(b) The court may subject relief granted under section 619 or 621 to conditions it considers appropriate.

''(c) The court may, at the request of the foreign representative or an entity affected by relief granted under section 619 or 621, or at its own motion, modify or terminate such relief.

''§ 623. Actions to avoid acts detrimental to creditors

''(a) Upon recognition of a foreign proceeding, the foreign representative has standing in a pending case under another chapter of this title to initiate actions under sections 522, 544, 545, 547, 548, 550, and 724(a).

''(b) When the foreign proceeding is a foreign nonmain proceeding, the court must be satisfied that an action under subsection (a) of this section relates to assets that, under United States law, should be administered in the foreign nonmain proceeding.

''§ 624. Intervention by a foreign representative

''Upon recognition of a foreign proceeding, the foreign representative may intervene in any proceedings in a State or Federal court in the United States in which the debtor is a party.

''SUBCHAPTER IV—COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES

''§ 625. Cooperation and direct communication between the court and foreign courts or foreign representatives

''(a) In all matters included within section 601, the court shall cooperate to the maximum extent possible with foreign courts or foreign representatives, either directly or through the trustee.

''(b) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representatives, subject to the rights of parties in interest to notice and participation.

''§ 626. Cooperation and direct communication between the trustee and foreign courts or foreign representatives

''(a) In all matters included in section 601, the trustee or other person, including an examiner, designated by the court, shall, subject to the supervision of the court, cooperate to the maximum extent possible with foreign courts or foreign representatives.

''(b) The trustee or other person, including an examiner, designated by the court is entitled, subject to the supervision of the court, to communicate directly with foreign courts or foreign representatives.

''(c) Section 1104(d) shall apply to the appointment of an examiner under this chapter. Any examiner shall comply with the qualification requirements imposed on a trustee by section 322(a).

''§ 627. Forms of cooperation

''Cooperation referred to in sections 625 and 626 may be implemented by any appropriate means, including—

''(1) appointment of a person or body, including an examiner, to act at the direction of the court;

''(2) communication of information by any means considered appropriate by the court;

''(3) coordination of the administration and supervision of the debtor's assets and affairs;

''(4) approval or implementation of agreements concerning the coordination of proceedings; and

''(5) coordination of concurrent proceedings regarding the same debtor.

''SUBCHAPTER V—CONCURRENT PROCEEDINGS

''§ 628. Commencement of a case under this title after recognition of a foreign main proceeding

''After recognition of a foreign main proceeding, a case under another chapter of this title may be commenced only if the debtor has assets in the United States. The effects of that case shall be restricted to the assets of the debtor that are within the territorial jurisdiction of the United States and, to the extent necessary to implement cooperation and coordination under sections 625, 626, and 627, to other assets of the debtor that are within the jurisdiction of the court under sections 541(a) and 1334(e), to the extent that such other assets are not subject to the jurisdiction and control of a foreign proceeding that has been recognized under this chapter.

''§ 629. Coordination of a case under this title and a foreign proceeding

''Where a foreign proceeding and a case under another chapter of this title are taking place concurrently regarding the same debtor, the court shall seek cooperation and coordination under sections 625, 626, and 627, and the following shall apply:

''(1) When the case in the United States is taking place at the time the petition for recognition of the foreign proceeding is filed—

''(A) any relief granted under sections 619 or 621 must be consistent with the case in the United States; and

''(B) even if the foreign proceeding is recognized as a foreign main proceeding, section 620 does not apply.

''(2) When a case in the United States under this title commences after recognition, or after the filing of the petition for recognition, of the foreign proceeding—

''(A) any relief in effect under sections 619 or 621 shall be reviewed by the court and shall be modified or terminated if inconsistent with the case in the United States; and

''(B) if the foreign proceeding is a foreign main proceeding, the stay and suspension referred to in section 620(a) shall be modified or terminated if inconsistent with the case in the United States.

''(3) In granting, extending, or modifying relief granted to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

''(4) In achieving cooperation and coordination under sections 628 and 629, the court may grant any of the relief authorized under section 305.

''§ 630. Coordination of more than 1 foreign proceeding

''In matters referred to in section 601, with respect to more than one foreign proceeding regarding the debtor, the court shall seek cooperation and coordination under sections 625, 626, and 627, and the following shall apply:

''(1) Any relief granted under section 619 or 621 to a representative of a foreign nonmain proceeding after recognition of a foreign main proceeding must be consistent with the foreign main proceeding.

''(2) If a foreign main proceeding is recognized after recognition, or after the filing of a petition for recognition, of a foreign nonmain proceeding, any relief in effect under section 619 or 621 shall be reviewed by the court and shall be modified or terminated if inconsistent with the foreign main proceeding.

''(3) If, after recognition of a foreign nonmain proceeding, another foreign nonmain proceeding is recognized, the court shall grant, modify, or terminate relief for the purpose of facilitating coordination of the proceedings.

''§ 631. Presumption of insolvency based on recognition of a foreign main proceeding

''In the absence of evidence to the contrary, recognition of a foreign main proceeding is for the purpose of commencing a proceeding under section 303, proof that the debtor is generally not paying its debts.

''§ 632. Rule of payment in concurrent proceedings

''Without prejudice to secured claims or rights in rem, a creditor who has received payment with respect to its claim in a foreign proceeding pursuant to a law relating to insolvency may not receive a payment for the same claim in a case under any other chapter of this title regarding the debtor, so long as the payment to other creditors of the same class is proportionately less than the payment the creditor has already received.''.

(b) CLERICAL AMENDMENT.—The table of chapters for title 11, United States Code, is amended by inserting after the item relating to chapter 5 the following:

''6. Ancillary and Other Cross-Border Cases ..... 601''.

SEC. 502. AMENDMENTS TO OTHER CHAPTERS IN TITLE 11, UNITED STATES CODE.

(a) APPLICABILITY OF CHAPTERS.—Section 103 of title 11, United States Code, is amended—

(1) in subsection (a), by inserting before the period the following: ''and this chapter, sections 307, 555 through 557, 559, and 560 apply in a case under chapter 6''; and

(2) by adding at the end the following:

''(j) Chapter 6 applies only in a case under that chapter, except that section 605 applies to trustees and to any other entity designated by the court, including an examiner, under chapters 7, 11, and 12, to debtors in possession under chapters 11 and 12, and to debtors or trustees under chapters 9 and 13 who are authorized to act under section 605.''.

(b) DEFINITIONS.—Section 101 of title 11, United States Code, is amended by striking paragraphs (23) and (24) and inserting the following:

''(23) 'foreign proceeding' means a collective judicial or administrative proceeding in a foreign state, including an interim proceeding, pursuant to a law relating to insolvency in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation;

''(24) 'foreign representative' means a person or body, including 1 appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or affairs or to act as a representative of the foreign proceeding;''.

(c) AMENDMENTS TO TITLE 28, UNITED STATES CODE.—

(1) PROCEDURES.—Section 157(b)(2) of title 28, United States Code, is amended—

(A) in subparagraph (N), by striking ''and'' at the end;

(B) in subparagraph (O), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(P) recognition of foreign proceedings and other matters under chapter 6.''.

(2) BANKRUPTCY CASES AND PROCEEDINGS.—Section 1334(c) of title 28, United States Code, is amended by striking ''Nothing in'' and inserting ''Except with respect to a case under chapter 6 of title 11, nothing in''.

(3) DUTIES OF TRUSTEES.—Section 586(a)(3) of title 28, United States Code, is amended by inserting ''6,'' after ''chapter''.

TITLE VI—MISCELLANEOUS

SEC. 601. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

Section 365(d)(4) of title 11, United States Code, is amended to read as follows:

''(4)(A) Subject to subparagraph (B), in any case under any chapter of this title, an unexpired lease of nonresidential real property under which the debtor is the lessee shall be deemed rejected and the trustee shall immediately surrender that nonresidential real property to the lessor if the trustee does not assume or reject the unexpired lease by the earlier of—

''(i) the date that is 120 days after the date of the order for relief; or

''(ii) the date of the entry of an order confirming a plan.

''(B) The court may extend the period determined under subparagraph (A) only upon a motion of the lessor.''.

SEC. 602. EXPEDITED APPEALS OF BANKRUPTCY CASES TO COURTS OF APPEALS.

(a) IN GENERAL.—Section 158 of title 28, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e);

(2) by inserting after subsection (c) the following new subsection:

''(d)(1) Any final judgment, decision, order, or decree of a bankruptcy judge entered for a case in accordance with section 157 may be appealed by any party in such case to the appropriate court of appeals if—

''(A) an appeal from such judgment, decision, order, or decree is first filed with the appropriate district court of the United States; and

''(B) the decision on the appeal described under subparagraph (A) is not filed by a district court judge within 30 days after the date such appeal is filed with the district court.

''(2) On the date that an appeal is filed with a court of appeals under paragraph (1), the chief judge for such court of appeals shall issue an order to the clerk for the district court from which the appeal is filed. Such order shall direct the clerk to enter the final judgment, decision,

order, or decree of the bankruptcy judge as the final judgment, decision, order, or decree of the district court.''; and

(3) in subsection (e), (as redesignated by paragraph (1) of this section) by striking ''subsections (a) and (b)'' and inserting ''subsections (a), (b), and (d)''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 305(c) of title 11, United States Code, is amended by striking ''section 158(d)'' and inserting ''section 158(e)''.

(2) Section 1334(d) of title 28, United States Code, is amended by striking ''section 158(d)'' and inserting ''section 158(e)''.

(3) Section 1452(b) of title 28, United States Code, is amended by striking ''section 158(d)'' and inserting ''section 158(e)''.

SEC. 603. CREDITORS AND EQUITY SECURITY HOLDERS COMMITTEES.

Section 1102(a)(2) of title 11, United States Code, is amended by inserting before the first sentence the following: ''On its own motion or on request of a party in interest, and after notice and hearing, the court may order a change in the membership of a committee appointed under this subsection, if the court determines that the change is necessary to ensure adequate representation of creditors or equity security holders.''.

SEC. 604. REPEAL OF SUNSET PROVISION.

Section 302 of the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended by striking subsection (f).

SEC. 605. CASES ANCILLARY TO FOREIGN PROCEEDINGS.

Section 304 of title 11, United States Code, as amended by section 410 of this Act, is amended by adding at the end the following:

''(e)(1) In this subsection—

''(A) the term 'domestic insurance company' means a domestic insurance company, as that term is used in section 109(b)(2);

''(B) the term 'foreign insurance company' means a foreign insurance company, as that term is used in section 109(b)(3);

''(C) the term 'United States claimant' means a beneficiary of any deposit referred to in paragraph (2)(A) or any multibeneficiary trust referred to in subparagraph (B) or (C) of paragraph (2);

''(D) the term 'United States creditor' means, with respect to a foreign insurance company—

''(i) a United States claimant; or

''(ii) any business entity that operates in the United States and that is a creditor; and

''(E) the term 'United States policyholder' means a holder of an insurance policy issued in the United States.

''(2) Notwithstanding subsections (b) and (c), the court may not grant relief under subsection (b) to a foreign insurance company that is not engaged in the business of insurance or reinsurance in the United States with respect to any claim made by a United States creditor against—

''(A) a deposit required by an applicable State insurance law;

''(B) a multibeneficiary trust required by an applicable State insurance law to protect United States policyholders or claimants against a foreign insurance company; or

''(C) a multibeneficiary trust authorized under an applicable State insurance law to allow a domestic insurance company that cedes reinsurance to the debtor to reflect the reinsurance as an asset or deduction from liability in the ceding insurer's financial statements.''.

SEC. 606. LIMITATION.

Section 546(c)(1)(B) of title 11, United States Code, is amended by striking ''20'' and inserting ''45''.

SEC. 607. AMENDMENT TO SECTION 546 OF TITLE 11, UNITED STATES CODE.

Section 546 of title 11, United States Code, is amended by inserting at the end thereof:

''(I) Notwithstanding section 545 (2) and (3) of this title, the trustee may not avoid a warehouseman's lien for storage, transportation or other costs incidental to the storage and handling of goods, as provided by section 7–209 of the Uniform Commercial Code.''.

SEC. 608. AMENDMENT TO SECTION 330(a) OF TITLE 11, UNITED STATES CODE.

Section 330(a) of title 11, United States Code, is amended—

(1) in subsection (3)(A) after the word ''awarded'', by inserting ''to an examiner, chapter 11 trustee, or professional person''; and

(2) by adding at the end of subsection (3)(A) the following:

''(3)(B) In determining the amount of reasonable compensation to be awarded a trustee, the court shall treat such compensation as a commission based on the results achieved.''.

TITLE VII—TECHNICAL CORRECTIONS

SEC. 701. DEFINITIONS.

Section 101 of title 11, United States Code, as amended by section 317, is amended—

(1) by striking ''In this title—'' and inserting ''In this title:'';

(2) in each paragraph, by inserting ''The term'' after the paragraph designation;

(3) in paragraph (35)(B), by striking ''paragraphs (21B) and (33)(A)'' and inserting ''paragraphs (23) and (35)'';

(4) in each of paragraphs (35A) and (38), by striking ''; and'' at the end and inserting a period;

(5) in paragraph (51B)—

(A) by inserting ''who is not a family farmer'' after ''debtor'' the first place it appears; and

(B) by striking ''thereto having aggregate'' and all that follows through the end of the paragraph;

(6) by amending paragraph (54) to read as follows:

''(54) The term 'transfer' means—

''(A) the creation of a lien;

''(B) the retention of title as a security interest;

''(C) the foreclosure of a debtor's equity of redemption; or

''(D) each mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with—

''(i) property; or

''(ii) an interest in property;'';

(7) in each of paragraphs (1) through (35), in each of paragraphs (36) and (37), and in each of paragraphs (40) through (56A) (including paragraph (54), as amended by paragraph (6) of this section), by striking the semicolon at the end and inserting a period; and

(8) by redesignating paragraphs (4) through (56A) in entirely numerical sequence, so as to result in numerical paragraph designations of (4) through (77), respectively.

SEC. 702. ADJUSTMENT OF DOLLAR AMOUNTS.

Section 104 of title 11, United States Code, is amended by inserting ''522(f)(3), 707(b)(5),'' after ''522(d),'' each place it appears.

SEC. 703. EXTENSION OF TIME.

Section 108(c)(2) of title 11, United States Code, is amended by striking ''922'' and all that follows through ''or'', and inserting ''922, 1201, or''.

SEC. 704. WHO MAY BE A DEBTOR.

Section 109(b)(2) of title 11, United States Code, is amended by striking ''subsection (c) or (d) of''.

SEC. 705. PENALTY FOR PERSONS WHO NEGLIGENTLY OR FRAUDULENTLY PREPARE BANKRUPTCY PETITIONS.

Section 110(j)(3) of title 11, United States Code, is amended by striking ''attorney's'' and inserting ''attorneys' ''.

SEC. 706. LIMITATION ON COMPENSATION OF PROFESSIONAL PERSONS.

Section 328(a) of title 11, United States Code, is amended by inserting ''on a fixed or percentage fee basis,'' after ''hourly basis,''.

SEC. 707. SPECIAL TAX PROVISIONS.

Section 346(g)(1)(C) of title 11, United States Code, is amended by striking '', except'' and all that follows through ''1986''.

SEC. 708. EFFECT OF CONVERSION.

Section 348(f)(2) of title 11, United States Code, is amended by inserting ''of the estate'' after ''property'' the first place it appears.

SEC. 709. AUTOMATIC STAY.

Section 362(b) of title 11, United States Code, as amended by sections 326 and 401 of this Act, is amended—

(1) in paragraph (21), by striking ''or'' at the end;

(2) in paragraph (22), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (22) the following:

''(23) under subsection (a) of this section of any transfer that is not avoidable under section 544 and that is not avoidable under section 549;

''(24) under subsection (a)(3) of this section, of the continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement and the debtor has not paid rent to the lessor pursuant to the terms of the lease agreement or applicable State law after the commencement and during the course of the case;

''(25) under subsection (a)(3) of this section, of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement that has terminated pursuant to the lease agreement or applicable State law;

''(26) under subsection (a)(3) of this section, of any eviction, unlawful detainer action, or similiar proceeding, if the debtor has previously filed within the last year and failed to pay postpetition rent during the course of that case; or

''(27) under subsection (a)(3) of this section, of eviction actions based on endangerment to property or person or the use of illegal drugs.''.

SEC. 710. AMENDMENT TO TABLE OF SECTIONS.

The table of sections for chapter 5 of title 11, United States Code, is amended by striking the item relating to section 556 and inserting the following:

''556. Contractual right to liquidate a commodities contract or forward contract.''.

SEC. 711. ALLOWANCE OF ADMINISTRATIVE EXPENSES.

Section 503(b)(4) of title 11, United States Code, is amended by inserting ''subparagraph (A), (B), (C), (D), or (E) of'' before ''paragraph (3)''.

SEC. 712. PRIORITIES.

Section 507(a) of title 11, United States Code, as amended by section 323 of this Act, is amended—

(1) in paragraph (3)(B), by striking the semicolon at the end and inserting a period; and

(2) in paragraph (7), by inserting ''unsecured'' after ''allowed''.

SEC. 713. EXEMPTIONS.

Section 522 of title 11, United States Code, as amended by section 320 of this Act, is amended—

(1) in subsection (f)(1)(A)(ii)(II)—

(A) by striking ''includes a liability designated as'' and inserting ''is for a liability that is designated as, and is actually in the nature of,''; and

(B) by striking '', unless'' and all that follows through ''support''; and

(2) in subsection (g)(2), by striking ''subsection (f)(2)'' and inserting ''subsection (f)(1)(B)''.

SEC. 714. EXCEPTIONS TO DISCHARGE.

Section 523 of title 11, United States Code, is amended—

(1) in subsection (a)(3), by striking ''or (6)'' each place it appears and inserting ''(6), or (15)'';

(2) as amended by section 304(e) of Public Law 103–394 (108 Stat. 4133), in paragraph (15), by transferring such paragraph so as to insert it after paragraph (14) of subsection (a);

(3) in subsection (a)(9), by inserting '', watercraft, or aircraft'' after ''motor vehicle'';

(4) in subsection (a)(15), as so redesignated by paragraph (2) of this subsection, by inserting ''to a spouse, former spouse, or child of the debtor and'' after ''(15)'';

(5) in subsection (a)(17)—

(A) by striking ''by a court'' and inserting ''on a prisoner by any court'';

(B) by striking ''section 1915 (b) or (f)'' and inserting ''subsection (b) or (f)(2) of section 1915''; and

(C) by inserting ''(or a similar non-Federal law)'' after ''title 28'' each place it appears; and

(6) in subsection (e), by striking ''a insured'' and inserting ''an insured''.

SEC. 715. EFFECT OF DISCHARGE.

Section 524(a)(3) of title 11, United States Code, is amended by striking ''section 523'' and all that follows through ''or that'' and inserting ''section 523, 1228(a)(1), or 1328(a)(1) of this title, or that''.

SEC. 716. PROTECTION AGAINST DISCRIMINATORY TREATMENT.

Section 525(c) of title 11, United States Code, is amended—

(1) in paragraph (1), by inserting ''student'' before ''grant'' the second place it appears; and

(2) in paragraph (2), by striking ''the program operated under part B, D, or E of'' and inserting ''any program operated under''.

SEC. 717. PROPERTY OF THE ESTATE.

Section 541(b)(4)(B)(ii) of title 11, United States Code, is amended by inserting ''365 or'' before ''542''.

SEC. 718. PREFERENCES.

Section 547 of title 11, United States Code, is amended—

(1) in subsection (b), by striking ''subsection (c)'' and inserting ''subsections (c) and (h)''; and

(2) by adding at the end the following:

''(h) If the trustee avoids under subsection (b) a security interest given between 90 days and 1 year before the date of the filing of the petition, by the debtor to an entity that is not an insider for the benefit of a creditor that is an insider, such security interest shall be considered to be avoided under this section only with respect to the creditor that is an insider.''.

SEC. 719. POSTPETITION TRANSACTIONS.

Section 549(c) of title 11, United States Code, is amended—

(1) by inserting ''an interest in'' after ''transfer of'';

(2) by striking ''such property'' and inserting ''such real property''; and

(3) by striking ''the interest'' and inserting ''such interest''.

SEC. 720. TECHNICAL AMENDMENT.

Section 552(b)(1) of title 11, United States Code, is amended by striking ''product'' each place it appears and inserting ''products''.

SEC. 721. DISPOSITION OF PROPERTY OF THE ESTATE.

Section 726(b) of title 11, United States Code, is amended by striking ''1009,''.

SEC. 722. GENERAL PROVISIONS.

Section 901(a) of title 11, United States Code, as amended by section 408, is amended by inserting ''1123(d),'' after ''1123(b),''.

SEC. 723. APPOINTMENT OF ELECTED TRUSTEE.

Section 1104(b) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2)(A) If an eligible, disinterested trustee is elected at a meeting of creditors under paragraph (1), the United States trustee shall file a report certifying that election. Upon the filing of a report under the preceding sentence—

''(i) the trustee elected under paragraph (1) shall be considered to have been selected and appointed for purposes of this section; and

''(ii) the service of any trustee appointed under subsection (d) shall terminate.

''(B) In the case of any dispute arising out of an election under subparagraph (A), the court shall resolve the dispute.''.

SEC. 724. ABANDONMENT OF RAILROAD LINE.

Section 1170(e)(1) of title 11, United States Code, is amended by striking ''section 11347'' and inserting ''section 11326(a)''.

SEC. 725. CONTENTS OF PLAN.

Section 1172(c)(1) of title 11, United States Code, is amended by striking ''section 11347'' and inserting ''section 11326(a)''.

SEC. 726. DISCHARGE UNDER CHAPTER 12.

Subsections (a) and (c) of section 1228 of title 11, United States Code, are amended by striking ''1222(b)(10)'' each place it appears and inserting ''1222(b)(9)''.

SEC. 727. EXTENSIONS.

Section 302(d)(3) of the Bankruptcy, Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended—

(1) in subparagraph (A), in the matter following clause (ii), by striking ''or October 1, 2002, whichever occurs first''; and

(2) in subparagraph (F)—

(A) in clause (i)—

(i) in subclause (II), by striking ''or October 1, 2002, whichever occurs first''; and

(ii) in the matter following subclause (II), by striking ''October 1, 2003, or''; and

(B) in clause (ii), in the matter following subclause (II)—

(i) by striking ''before October 1, 2003, or''; and

(ii) by striking '', whichever occurs first''.

SEC. 728. BANKRUPTCY CASES AND PROCEEDINGS.

Section 1334(d) of title 28, United States Code, is amended—

(1) by striking ''made under this subsection'' and inserting ''made under subsection (c)''; and

(2) by striking ''This subsection'' and inserting ''Subsection (c) and this subsection''.

SEC. 729. KNOWING DISREGARD OF BANKRUPTCY LAW OR RULE.

Section 156(a) of title 18, United States Code, is amended—

(1) in the first undesignated paragraph—

(A) by inserting ''(1) the term'' before '' 'bankruptcy''; and

(B) by striking the period at the end and inserting ''; and''; and

(2) in the second undesignated paragraph—

(A) by inserting ''(2) the term'' before '' 'document''; and

(B) by striking ''this title'' and inserting ''title 11''.

SEC. 730. ROLLING STOCK EQUIPMENT.

(a) IN GENERAL.—Section 1168 of title 11, United States Code, is amended to read as follows:

''§ 1168. Rolling stock equipment.

''(a)(1) The right of a secured party with a security interest in or of a lessor or conditional vendor of equipment described in paragraph (2) to take possession of such equipment in compliance with an equipment security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court, except that that right to take possession and enforce those other rights and remedies shall be subject to section 362, if—

''(A) before the date that is 60 days after the date of commencement of a case under this chapter, the trustee, subject to the court's approval, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and

''(B) any default, other than a default of a kind described in section 365(b)(2), under such security agreement, lease, or conditional sale contract—

''(i) that occurs before the date of commencement of the case and is an event of default therewith is cured before the expiration of such 60-day period;

''(ii) that occurs or becomes an event of default after the date of commencement of the case and before the expiration of such 60-day period is cured before the later of—

''(I) the date that is 30 days after the date of the default or event of the default; or

''(II) the expiration of such 60-day period; and

''(iii) that occurs on or after the expiration of such 60-day period is cured in accordance with the terms of such security agreement, lease, or conditional sale contract, if cure is permitted under that agreement, lease, or conditional sale contract.

''(2) The equipment described in this paragraph—

''(A) is rolling stock equipment or accessories used on rolling stock equipment, including superstructures or racks, that is subject to a security interest granted by, leased to, or conditionally sold to a debtor; and

''(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, that is to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.

''(3) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.

''(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the court's approval, to extend the 60-day period specified in subsection (a)(1).

''(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(2), if at any time after the date of commencement of the case under this chapter such secured party, lessor, or conditional vendor is entitled pursuant to subsection (a)(1) to take possession of such equipment and makes a written demand for such possession of the trustee.

''(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(2), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.

''(d) With respect to equipment first placed in service on or prior to October 22, 1994, for purposes of this section—

''(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and

''(2) the term 'security interest' means a purchase-money equipment security interest.

''(e) With respect to equipment first placed in service after October 22, 1994, for purposes of this section, the term 'rolling stock equipment' includes rolling stock equipment that is substantially rebuilt and accessories used on such equipment.''.

(b) AIRCRAFT EQUIPMENT AND VESSELS.—Section 1110 of title 11, United States Code, is amended to read as follows:

''§ 1110. Aircraft equipment and vessels

''(a)(1) Except as provided in paragraph (2) and subject to subsection (b), the right of a secured party with a security interest in equipment described in paragraph (3), or of a lessor or conditional vendor of such equipment, to take possession of such equipment in compliance with a security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies, under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court.

''(2) The right to take possession and to enforce the other rights and remedies described in paragraph (1) shall be subject to section 362 if—

''(A) before the date that is 60 days after the date of the order for relief under this chapter, the trustee, subject to the approval of the court, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and

''(B) any default, other than a default of a kind specified in section 365(b)(2), under such security agreement, lease, or conditional sale contract—

''(i) that occurs before the date of the order is cured before the expiration of such 60-day period;

''(ii) that occurs after the date of the order and before the expiration of such 60-day period is cured before the later of—

''(I) the date that is 30 days after the date of the default; or

''(II) the expiration of such 60-day period; and

''(iii) that occurs on or after the expiration of such 60-day period is cured in compliance with the terms of such security agreement, lease, or conditional sale contract, if a cure is permitted under that agreement, lease, or contract.

''(3) The equipment described in this paragraph—

''(A) is—

''(i) an aircraft, aircraft engine, propeller, appliance, or spare part (as defined in section 40102 of title 49) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that, at the time such transaction is entered into, holds an air carrier operating certificate issued pursuant to chapter 447 of title 49 for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo; or

''(ii) a documented vessel (as defined in section 30101(1) of title 46) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that is a water carrier that, at the time such transaction is entered into, holds a certificate of public convenience and necessity or permit issued by the Department of Transportation; and

''(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.

''(4) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.

''(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the approval of the court, to extend the 60-day period specified in subsection (a)(1).

''(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(3), if at any time after the date of the order for relief under this chapter such secured party, lessor, or conditional vendor is entitled pursuant to subsection (a)(1) to take possession of such equipment and makes a written demand for such possession to the trustee.

''(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(3), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.

''(d) With respect to equipment first placed in service on or before October 22, 1994, for purposes of this section—

''(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and

''(2) the term 'security interest' means a purchase-money equipment security interest.''.

SEC. 731. CURBING ABUSIVE FILINGS.

(a) IN GENERAL.—Section 362(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking ''or'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(4) with respect to a stay of an act against real property under subsection (a), by a creditor whose claim is secured by an interest in such real estate, if the court finds that the filing of the bankruptcy petition was part of a scheme to delay, hinder, and defraud creditors that involved either—

''(A) transfer of all or part ownership of, or other interest in, the real property without the consent of the secured creditor or court approval; or

''(B) multiple bankruptcy filings affecting the real property.

If recorded in compliance with applicable State laws governing notices of interests or liens in real property, an order entered pursuant to this subsection shall be binding in any other case under this title purporting to affect the real property filed not later than 2 years after that recording, except that a debtor in a subsequent case may move for relief from such order based upon changed circumstances or for good cause shown, after notice and a hearing.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by section 709, is amended—

(1) in paragraph (24), by striking ''or'' at the end;

(2) in paragraph (25) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(26) under subsection (a) of this section, of any act to enforce any lien against or security interest in real property following the entry of an order under section 362(d)(4) as to that property in any prior bankruptcy case for a period of 2 years after entry of such an order. The debtor in a subsequent case, however, may move the court for relief from such order based upon changed circumstances or for other good cause shown, after notice and a hearing; or

''(27) under subsection (a) of this section, of any act to enforce any lien against or security interest in real property—

''(A) if the debtor is ineligible under section 109(g) to be a debtor in a bankruptcy case; or

''(B) if the bankruptcy case was filed in violation of a bankruptcy court order in a prior bankruptcy case prohibiting the debtor from being a debtor in another bankruptcy case.''.

SEC. 732. STUDY OF OPERATION OF TITLE 11 OF THE UNITED STATES CODE WITH RESPECT TO SMALL BUSINESSES.

Not later than 2 years after the date of the enactment of this Act, the Administrator of the Small Business Administration, in consultation with the Attorney General, the Director of the Administrative Office of United States Trustees, and the Director of the Administrative Office of the United States Courts, shall—

(1) conduct a study to determine—

(A) the internal and external factors that cause small businesses, especially sole proprietorships, to become debtors in cases under title 11 of the United States Code and that cause certain small businesses to successfully complete cases under chapter 11 of such title; and

(B) how Federal laws relating to bankruptcy may be made more effective and efficient in assisting small businesses to remain viable; and

(2) submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report summarizing that study.

SEC. 733. TRANSFERS MADE BY NONPROFIT CHARITABLE CORPORATIONS.

(a) SALE OF PROPERTY OF ESTATE.—Section 363(d) of title 11, United States Code, is amended—

(1) by striking ''only'' and all that follows through the end of the subsection and inserting ''only—

''(1) in accordance with applicable nonbankruptcy law that governs the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust; and

''(2) to the extent not inconsistent with any relief granted under subsection (c), (d), (e), or (f) of section 362''.

(b) CONFIRMATION OF PLAN FOR REORGANIZATION.—Section 1129(a) of title 11, United States Code, is amended by adding at the end the following:

''(14) All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.''.

(c) TRANSFER OF PROPERTY.—Section 541 of title 11, United States Code, is amended by adding at the end the following:

''(e) Notwithstanding any other provision of this title, property that is held by a debtor that is a corporation described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code may be transferred to an entity that is not such a corporation, but only under the same conditions as would apply if the debtor had not filed a case under this title.''.

(d) APPLICABILITY.—The amendments made by this section shall apply to a case pending under title 11, United States Code, on the date of enactment of this Act, except that the court shall not confirm a plan under chapter 11 of this title without considering whether this section would substantially affect the rights of a party in interest who first acquired rights with respect to the debtor after the date of the petition. The parties who may appear and be heard in a proceeding under this section include the attorney general of the State in which the debtor is incorporated, was formed, or does business.

SEC. 734. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect on the date of enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—The amendments made by this title shall apply only with respect to cases commenced under title 11, United States Code, on or after the date of enactment of this Act.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote.

Mr. DURBIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate insists

on its amendments and requests a conference with the House, and the Chair appoints conferees.

Thereupon, the Presiding Officer (Mr. THOMAS) appointed Mr. HATCH, Mr. GRASSLEY, Mr. SESSIONS, Mr. LEAHY, and Mr. DURBIN conferees on the part of the Senate.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, first of all I want to thank everyone in this body for the overwhelming vote of confidence on the work that Senator DURBIN and I have done on this bankruptcy bill. Getting to this point has been a very tough process involving a lot of compromise and a lot of refinement.

You heard me say on the first day of debate that for the entire time that I have been in the Senate and on this subcommittee on the subject of bankruptcy—maybe not on every subject, but the subject of bankruptcy—there has been a great deal of bipartisan cooperation, first of all between Senator Heflin of Alabama, now retired, and myself. Sometimes I was chairman when Republicans were in the majority. When we were in the minority, I was ranking member and he was chairman. But this legislation has always passed with that sort of tradition.

So I want to say to all of my colleagues that I not only thank them for their support but, more importantly, thank Senator DURBIN, who worked so closely with me on this legislation, and that tradition has continued. I thank him for carrying on that tradition, because I don't think we would have had the vote that we had today if it had not been for the bipartisanship that has been expressed since he first took over leadership for his party on our subcommittee.

I also want to give commendation to his staff, Victoria Bassetti and Ann McCormick; and also to Senator HATCH's staff, Maken Delrahim and Rene Augustine; and also my staff, John McMickle and Kolan Davis, because without the long hours of staff work that went into this bill, we would not have had the great compromise that we had to make this vote possible.

Mr. President, I'm pleased that we've come to the point where the Senate has passed the Grassley-Durbin consumer bankruptcy bill. Getting to this point has been a tough process involving a lot of compromise and refinement. Of course, I thank Senator DURBIN for his help and suggestions for improving the bill. I think that Chairman HATCH also deserves a great deal of credit as well.

The bill we voted is a very fair and balanced piece of legislation with broad support. The administration, in its ''statement of administration policy,'' encourages the Senate to pass this bill. The Judiciary Committee was almost unanimous in passing the bill, and many changes have been made to the version of the bill reported by the committee to accommodate the concerns of the minority. So, this is a bill I think we can all support regardless of party. Again, Senator DURBIN has been instrumental in making this bill truly bi-partisan.

As I've said numerous times on the floor during the debate on bankruptcy reform, the American people are four-square in support of meaningful bankruptcy reform. The fact is that some people use bankruptcy as a convenient financial planning tool to skip out on debts they could repay. This has to stop.

Mr. President, there's no such thing as a free lunch. Bankruptcies of convenience are like shoplifting. Honest consumers have to pick up the tab for losses due to bankruptcy just as they pick up the tab for shoplifting. Bankruptcies of convenience impose a hidden bankruptcy tax of $400 per family of four. My bill will cut that tax.

Mr. President, it's not just consumers paying higher prices who stand to lose from bankruptcy abuse. Small businesses, a vital component of our healthy economy, can be crippled by bankruptcy losses. That's why the National Federation of Independent Business supports bankruptcy reform.

Let's cut the bankruptcy tax. Let's restore personal responsibility to the bankruptcy system. Let's help protect American consumers and small businesses.

Mr. President, I want to thank the people from the administration, because they have followed the course of this legislation. They have issued a statement of administrative policy in support of this legislation.

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

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

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, September 17, 1998.

STATEMENT OF ADMINISTRATION POLICY

S. 1301—CONSUMER BANKRUPTCY REFORM ACT OF 1998

(Grassley (R) Iowa and Durbin (D) Illinois)

The Administration encourages Senate passage of S. 1301 as an important step toward balanced bankruptcy reform; however, the Administration ultimately would support enactment of bankruptcy legislation only if the essential reforms incorporated by the Senate managers' amendment are preserved and strengthened and the unbalanced and arbitrary elements of the current House bill are omitted.

The Administration supports bankruptcy reform that asks both debtors and creditors to act more responsibly. Debtors who genuinely have the ability to repay a portion of their debts should remain responsible for those debts. But creditors must also be responsible for treating debtors fairly, recognizing creditors' superior information and bargaining power.

As reported from Committee, S. 1301 focused heavily on perceived debtor abuse, with little to curtail abuses by creditors. However, if changes incorporated in the manager's amendment are adopted, the Senate bill will take significant steps to address abusive practices by both debtors and creditors. Essential changes included in the managers' amendments include: (1) new disclosure requirements to ensure that credit card companies provide consumers with the information about their accounts that they need to manage their budgets; (2) procedural protections to avoid inappropriate and unwise reaffirmations of unsecured and certain secured consumer debts; and (3) modifications made to the nondischargeability provisions in the bill so that the bill no longer inappropriately puts credit card debt in competition with child support, alimony, and other societal priorities like education loans and taxes.

The Administration also strongly prefers the discretionary approach to limiting access to Chapter 7 used in S. 1301 over the rigid and arbitrary approach in the House bill. We support changes made by the Senate bill to ensure that those debtors denied access to Chapter 7 under Section 707(b) of the Bankruptcy Code are those that have a strong likelihood of successfully completing a Chapter 13 plan.

More can and should be done to produce a truly balanced bill. The bill must address the potentially coercive effect of allowing creditors to bring 707(b) motions based on any allegation of abuse and strengthen the protections against coercive reaffirmations.

The Administration also supports financial contract netting provisions in the bill, which are important to reducing systemic risk in our financial markets and are based on a proposal from the President's Working Group on Financial Markets.

The Administration supports Senate passage of the ''Omnibus Patent Act of 1998'' as an amendment to S. 1301 because that bill supports American innovation through needed patent law reforms. While the Administration is disappointed that the bill does not include all of the performance based organization reforms it proposed, the provision's inclusion of the annual performance agreement is welcome.

Finally, the Senate is expected to vote on an amendment to raise wages of 12 million Americans and help ensure that parents who work hard and play by the rules do not have to raise their children in poverty. Two years ago, the President signed into law a moderate increase in the minimum wage. The results of that action are clear: it raised the wages of the lowest paid workers and did not cost jobs. Now we must continue to take actions to ensure that all Americans are benefitting from our prospering economy. That is why the Administration strongly supports raising the minimum wage by $1 over two years.

Mr. GRASSLEY. Mr. President, I thank Senator DURBIN very much for his cooperation.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Thank you, Mr. President.

I would like to echo the comments of Senator GRASSLEY. I really believe this vote of 97 to 1 is a tribute to his patience, endurance, and hard work. It has been a joy to be with him as part of this process. We have serious differences on many aspects of this bill. I am sure we will continue to debate them. But the core bill is a bill which I was happy to support because I think it is a more reasonable approach to reforming bankruptcy. We attempt to reform it in the responsible way, trying to stop the abuses in filing in the bankruptcy court and at the same time calling on the credit industry to accept

some responsibility for those risky credit practices which lure unwitting consumers into a trap from which they cannot escape.

I want to give acknowledgment as well to staff who have made this bill possible. Seated to my left is Victoria Bassetti, my staff attorney on the Judiciary Committee, who has spent more time looking at the bankruptcy code than almost anything else in the past year; Anne McCormick, who is with us as a detailee from the Department of Justice, who has done an extraordinary job; on the majority side, John McMickle and Kolan Davis have become friends during the course of this debate and have added greatly to the work product; Makan Delrahim and Rene Augustine of Senator HATCH's staff; Kara Stein and Brooke Byers of Senator DODD's staff; Ed Pagano of Senator LEAHY's staff; Kristi Lee of Senator SESSIONS' staff; and Brian Lee of Senator KOHL's staff; as well as Joel Wiginton, who once worked on my staff and now serves Senator FEINGOLD. They all have added to the value of this bill. I thank each and every one of them.

I would like to just note four or five things that I am particularly proud of in this legislation.

We have worked back and forth in the banking industry, as well as with experts in the law, to come to a good conclusion about the ways to reduce abuse when it comes to bankruptcy filings.

We have added some provisions here which I think many consumers will appreciate because it really does bring more balance to this endeavor.

With the help of Senator DODD, who is in the Chamber today, as well as Senator SARBANES of Maryland, we have added some disclosure provisions to this bill which will make credit card statements clearer and make it more understandable when credit card companies solicit your business as to what you are going to have to do, how much you will have to pay in interest rates and what other conditions might be important to your relationship.

We have an amendment here I am particularly proud of on predatory home lending. These are those unscrupulous credit practices where lenders prey particularly on senior citizens, forcing them into a situation where they sign second mortgages on their home without any real understanding of what they are getting into. They lose the most important asset in their life because of these unscrupulous practices. This bill comes down hard on that kind of conduct.

We also have increased court supervision on reaffirmation. A person files for bankruptcy and says, Here is a debt which I will keep; I will continue to pay on it. For instance, a car loan because you need an automobile, or with a company that your family has done business with for generations. You reaffirm the debt. That is perfectly acceptable. It is something which should be encouraged where it works. But we say the court should look at it to make certain it is fair.

I salute Senator SESSIONS and Senator KOHL for the homestead exemption cap. The unlimited homestead exemption in a few states is the single worst abuse in the bankruptcy system. Our friends in the House saw it differently on a floor vote. It is up to us in conference to convince them that ours is a better way. We protect retirement income in bankruptcy, a concept which I pushed for and was happy to join with Senator HATCH in finally passing in this Chamber.

I thank Senator FEINGOLD for his efforts to protect the poorest of the poor who file in bankruptcy. I also salute Senator FEINSTEIN and others who have asked for studies which we think will improve credit practices in this country. And, finally, this bill provides for the creation of 18 new bankruptcy judgeships sorely needed in the States which will receive them.

This is the first major legislation I have had in the Chamber. I don't expect every one of them to pass 97 to 1, but it really is a good feeling to know that all of this work over this time has resulted in a truly bipartisan response to this important issue.

Thank you, Mr. President. I yield the floor.

Mr. HATCH. Mr. President, S. 1301, the Consumer Bankruptcy Reform Act of 1998, was reported out of the Judiciary Committee with strong bipartisan support and is one of the most important legislative efforts to reform the bankruptcy laws in 20 years.

I would like to begin by commending my colleagues, Senators GRASSLEY and DURBIN, respectively, the chairman and ranking minority member of the Subcommittee on Administrative Oversight and the Courts, for their tireless efforts in crafting this much needed legislation. I also want to thank them for conducting numerous important hearings at the subcommittee level on the complex issue of bankruptcy reform. I particularly appreciate the dedication they have shown to making the passage of this bill an inclusive and bipartisan process.

The compelling need for reform is underscored by the dramatic rise in bankruptcy filings each year. The Bankruptcy Code was liberalized back in 1978, and ever since that time, consumer bankruptcy filings have gone up at an unprecedented rate. Even during the economic boom years of 1994 to 1997, consumer bankruptcy filings almost doubled.

Mr. President, the bankruptcy system was intended to provide a ''fresh start'' for those who need it. We need to preserve the bankruptcy system within limits to allow individuals to emerge from financial ruin, which may have been precipitated by unforeseen events such as medical problems or unemployment. What we don't need is to preserve those elements of the system that allow it to be abused, and that allow some debtors to use bankruptcy as a financial planning tool rather than as a last resort. I firmly believe that by allowing people to escape from their financial obligations, we are doing them a great disservice by not encouraging them to manage their finances and control their debt.

It always has been my view that individuals should take personal responsibility for their debts, and repay them to the extent possible. Under the present system, it is too easy for debtors who have the ability to repay some of what they owe to file for Chapter 7 bankruptcy. Under Chapter 7, debtors can liquidate their assets and discharge all debt, while protecting certain assets from liquidation, irrespective of their income. Mr. President, I believe that the complete extinguishing of debt should be reserved for debtors who truly cannot repay their debts.

According to the Wall Street Journal (Nov. 8, 1996) bankruptcy protection laws give an alarming number of ''obscure, but perfectly legal places for anyone to hide assets.'' For instance, one Virginia multimillionaire incurred massive debt, but under State law was entitled to keep certain household goods, farm equipment, and ''one horse.'' This particular individual opted to keep a $640,000 race horse, noting that the law only limits the number of horses, but not the individual value of a horse.

While this is a particularly egregious example, these kinds of loopholes exist in the Bankruptcy Code, and people are using them to avoid paying their debts. As a result, the rest of us end up footing the bill through higher prices and higher interest rates.

S. 1301 provides a remedy for these abuses by adopting a needs-based approach to bankruptcy reform.

It is important to note that the administration has urged that bankruptcy law should ''discourage bad faith repeat filings and other attempts to abuse the privilege accorded by access to bankruptcy.''

This bipartisan legislation, created by Senators GRASSLEY and DURBIN, is carefully structured to achieve an appropriate balance between debtor and creditor rights. The legislation maintains the aspects of the bankruptcy system that serve those in need of a ''fresh start.'' At the same time, S. 1301 reforms current bankruptcy laws to prevent the system from being abused at the expense of all Americans.

The impact of this important legislation will not only be to curb the rampant number of frivolous bankruptcy filings, but also to give a boost to our economy.

Mr. President, again I would like to applaud the bipartisan efforts of my colleagues who have made S. 1301 a broadly supported bill.

Mr. SARBANES. Mr. President, I would like to take this opportunity to congratulate Senator DURBIN, the Ranking Member of the Courts Subcommittee, on passage of S.1301, the

Consumer Bankruptcy Reform Bill of 1998.

I especially want to thank him for insisting that S.1301 address not only the need for greater responsibility on the part of debtors, but also the need for greater responsibility on the part of creditors. In particular, this bill takes notice of the fact that credit card companies often act as enablers to individuals who end up in bankruptcy after falling prey to one too many promises of easy credit from these companies. S.1301 requires that credit card companies provide consumers with the information they need to behave in a responsible manner, rather than luring them into tighter financial straits with false promises of easy credit.

The bill that passed out of the Judiciary Committee did not take such an evenhanded approach, and I, among others both on and off the Judiciary Committee, noted the need to bring greater balance to this issue on the floor. Thanks to Senator DURBIN's leadership, the efforts of several other Democratic Senators, and the cooperation of Senator GRASSLEY and other Republicans, the bill we will soon pass is a product that, as amended, acknowledges the shared responsibility for the rise in bankruptcies between creditors and debtors, and strives to discourage reckless behavior on both sides of credit transactions.

Mr. DURBIN. I thank my colleague from Maryland for his kind words, and for his assistance in making S.1301 a bill that the Senate can be proud of.

As Ranking Member of the Senate Committee on Banking, Housing and Urban Affairs, Senator SARBANES has long been interested in the issue of consumer lending practices, and his efforts were invaluable in drawing the necessary connection between increased bankruptcy filings and the lending practices of credit card companies.

Due to the efforts of a number of Democratic Senators, including Senator SARBANES, we were able to have inserted into the managers amendment to this bill a number of important provisions dealing with consumer credit information. These provisions require credit card companies to provide in their monthly statements and initial solicitation materials information that will help consumers manage their finances in a way that will, I believe, obviate the need for bankruptcy in many cases. The bill also now provides for studies regarding (1) the extension of credit to individuals with a high debt-to-income ratio and (2) the use of credit card security interests to coerce reaffirmations of debt in bankruptcy.

In short, we now have before us a bill that is balanced and that is not simply the wish list of the credit card companies. I thank Senator SARBANES for helping to make this possible.

Mr. SARBANES. I thank Senator DURBIN for his kind words. I also note, however, that we still have much work to do in this area. None of the consumer-oriented provisions that we have succeeded in adding to S.1301 are in the House-passed bankruptcy bill, and I daresay that the credit card companies are less than thrilled with even the modest steps we have taken on behalf of consumers here in the Senate. I ask my colleague from Illinois, is it not safe to expect that there will be efforts during the bankruptcy conference to strip out some of these provisions from the conference report, and to bring to the Senate a bankruptcy bill that is, once again, merely a wish list of the credit card companies?

I further ask my colleague, will we not need to be vigilant in our efforts to preserve these consumer-oriented provisions during the conference?

Mr. DURBIN. My colleague from Maryland sadly may be correct. Neither our Republican colleagues in the House nor the credit card companies are likely to be as enthusiastic as he or I about the efforts at cooperation and compromise that went into crafting the Senate bill.

We will, indeed, have to be vigilant in regard to the consumer-oriented provisions in S.1301, and I hope that we will be joined in this effort both by our Senate Republican colleagues, who have agreed to accept most of these provisions without any debate, as well as by the White House, which has indicated the importance of preserving the Senate managers' amendment to its own consideration of bankruptcy reform legislation. We have our work cut for us, but I commit to my colleague from Maryland that I will do my utmost to ensure that the bankruptcy conference report contains the vital consumer protections we worked so hard to add to the Senate bill.

Mr. SARBANES. I thank my distinguished colleague from Illinois, and pledge my support for his efforts in this regard. Only if we are able to preserve our hard-fought gains in the Senate in conference will we be able to pass bankruptcy reform legislation that will stand the tests of time and fairness.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

UNANIMOUS CONSENT REQUEST—S. 442

Mr. MCCAIN. Mr. President, on behalf of the leader, I ask unanimous consent that it be in order for the majority leader, after consultation with the Democratic leader, to proceed to the consideration of Calendar No. 509, S. 442, and it be considered under the following limitations:

The Commerce Committee amendment be agreed to, and the Finance substitute then be agreed to, and the substitute then be considered as original text for the purpose of further amendment. I further ask unanimous consent that the only other amendments in order to the bill be the following:

A managers' amendment; McCain-Wyden amendment extending length of moratorium; Coats, Internet porn, 1 hour equally divided; Bennett amendment, relevant; Senator Kay Bailey Hutchison amendment, relevant; Bond amendment, relevant; Bumpers amendment, mail order; three Enzi relevant amendments; Domenici, an amendment on interest rates; Graham, relevant; Abraham, Government paperwork; and Bumpers, a commission amendment.

I further ask unanimous consent that relevant second-degree amendments be in order to all amendments other than the Coats amendment.

I further ask unanimous consent that there be 2 hours of general debate equally divided on the bill. I finally ask that following the disposition of the above-listed amendments and the expiration of time, the bill be read a third time and the Senate proceed to a vote on passage of the bill with no other intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. I object on behalf of a number of colleagues.

The PRESIDING OFFICER. Objection is heard.

Mr. DASCHLE. Mr. President, let me just explain.

I support this legislation, and I hope we can come to some resolution here. Obviously, this is an important bill that ought to be passed. The problem is that, once again, we are presented with an untenable circumstance. Colleagues on this side of the aisle, certainly through no fault of the distinguished Senator from Arizona, have been precluded, to date, from offering our Patients' Bill of Rights. We are running out of time. We are running out of vehicles. We are running out of opportunities for us to have the kind of debate that we all have asked for and expected to have by this day.

Because we are again put into a difficult position of not knowing how we are going to resolve that outstanding question, recognizing that it is at least as important as this issue, in spite of the fact that I do support S. 442, we are compelled to object today.

My hope is that at some point in the not-too-distant future we can resolve the issue of how we will debate the Patients' Bill of Rights, and we will then resolve our ability to bring up the request made by the Senator from Arizona. So I object at this time with the hope that we can find some resolution at some point soon.

Mr. MCCAIN addressed the Chair.

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

Mr. MCCAIN. I ask unanimous consent that the Senate turn to the immediate consideration of S. 442 and that only amendments in order to the bill be relevant amendments.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MCCAIN. Mr. President, let me just point out that I think the Democratic leader makes a very legitimate point. Obviously, he believes there are very important issues that need to be addressed. The Patients' Bill of Rights is a very important issue. But let me also point out, Mr. President, that we have been working on this legislation for 2 years. All of Silicon Valley, especially the State of Massachusetts as well as other places where high tech is a very important part of the economy of the various States and the Nation, want this bill done.

Senator WYDEN, who is the originator of this bill, and I, along with many others, have worked very hard for a long period of time. We have made concession after concession; we have made compromise after compromise on this bill, including having the Finance Committee play a major role in it. All I hope is that on the Democrat side we can get some agreement to address the Patients' Bill of Rights, and I also ask that we make every effort to get this bill up and passed. We have approximately 11, 12 remaining legislative days, as I understand it.

I respect and understand the objection of the Democratic leader. I hope we can get this issue resolved, up and passed so that we can ensure the future of perhaps one of the most important and vital parts of America's economy.

UNANIMOUS CONSENT AGREEMENT—S. 2279

Mr. MCCAIN. So again now, Mr. President, I ask unanimous consent that it be in order for the majority leader, after consultation with the Democratic leader, to proceed to S. 2279, the FAA reauthorization, and that the bill be limited to relevant amendments only, of which we will have a list shortly.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MCCAIN. Mr. President, I know others will want to be recognized for comments, including maybe the Senator from Massachusetts, before we move forward with the FAA bill.

Mr. KENNEDY. I thank the Senator from Arizona.

I just wanted to join in expressing support for our leader's position in raising this extremely important issue, the Patients' Bill of Rights. Our leader, Senator DASCHLE, has indicated a willingness to enter into agreements that would be reasonable and which would permit debate and discussion of these important matters that are at the heart of concerns of millions of American families, and to do it in a way we would not interrupt the important legislation that the Senator from Arizona has identified. We have been frustrated in having that opportunity.

We had similar difficulty earlier in terms of the minimum wage. We were able to address that, not with the outcome that some of us might have hoped but nonetheless we were able to at least get a judgment on that. And we wanted to try to also get a judgment on this matter which is of central concern to families all across this country.

I want to just add my support to the objections of Senator DASCHLE and also to express appreciation to the Senator from Arizona. We know that this is not his decision at this time to be making, but it is a leadership decision.

I thank him for his courtesy and recognize it.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, let me briefly say as well, I support what the Democratic leader is doing on this HMO issue. Hopefully, that matter can be resolved.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I ask unanimous consent I be allowed to speak as in morning business. It is not on this subject matter.

Mr. MCCAIN. I object unless I know how long it is.

Mr. DODD. About 5 minutes.

Mr. MCCAIN. I have no objection.

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

Y2K AND MEDICAL DEVICES

Mr. DODD. Mr. President, most of us are aware that there is a very serious computer problem, the year 2000 computer problem or Y2K problem, which has the potential to dramatically disrupt our energy, transportation, banking and health sectors, just to name a few.

As most of you know, the year 2000 computer technology problem stems from the earlier programing of two digit date codes; many old programs were written assuming the year would begin with ''19.'' Therefore the year-2000 computer problem means that if an unknown number of programs and microchips around the world aren't fixed or replaced, computers that read ''00'' as the year 1900, not 2000 will fail or malfunction on January 1, 2000.

To correct this problem millions of dollars have been earmarked by government and industry to identify, correct and test the millions of lines of code and embedded chips that perform mission-critical functions.

Senator BENNETT and I co-chair the Senate's Year 2000 Committee and we are actively reviewing the progress of U.S. industry and government agencies. Both must bring their own systems into compliance and the government agencies must monitor the compliance status of the areas that they regulate.

This is truly a world-wide phenomenon, and while the United States is doing a pretty good job of playing catch up, many nations of the world have hardly begun to address their own year 2000 or Y2K problems.

From time to time I will come to the Senate floor to brief the other Members and the public on the progress of the committee's work and the highlight problems areas.

One such problem area was highlighted during the committee's hearing on health concerns. Whereas, in many industries, there are areas termed mission-critical which refers to embedded or coded systems without which the primary objective of that system fails. In the health field, there are life-critical systems which sustain human life. An example of a life-critical embedded system would be a cardiac monitor in the intensive-care unit of a hospital. If it fails, the patient could lose his or her life.

With this in mind I was deeply disturbed to learn, during one of the committee's earlier hearings, that the FDA's attempts to survey and document year 2000 compliance within the medical device industry had indicated an unacceptable low level of response. At the committee's July 23, 1998 hearing on the health care industry, I was shocked by the fact that instead of taking steps to deal with this problem, the medical device industry, as a whole, at that time, seemed to be exacerbating the problem by refusing to provide information either to the FDA or to even the hospitals and clinics which use the devices every day. I made it clear that this sort of attitude was stunningly short-sighted and could only cause harm to both the makers and users of these devices. Indeed, the committee learned that the FDA on June 28, 1998 requested that the nearly 2000 medical device manufacturers immediately respond and indicate their level of year 2000 compliance. This initial lack of response was indeed irresponsible. According to the FDA, of the nearly 1,935 medical manufacturers surveyed, approximately 755 replied.

Let me repeat this. Of the nearly 2,000 manufactures of life-critical medical devices, the FDA tells us that less than 40 percent responded to the oversight agency tasked with insuring that critical medical devices still work when you and I and the people we love are in need and might depend on this sophisticated equipment.

Again this is unacceptable. I am therefore submitting a list of those manufacturers that did not reply to the FDA's request for information to the RECORD for all Americans to see. It is my hope that these companies quickly comply and provide information as to the year 2000 readiness of these critical medical devices. It is also my hope that this will serve as a wake up call to other industries to be vigilant, responsible and pro-active in their efforts to insure that Americans wake up to a wonderful new year on January first of the year 2000.

Mr. President, I ask unanimous consent the list of these companies be printed in the RECORD. I understand the Government Printing Office estimates the cost of printing this list to be $1,426.00.

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

COMPANY, CITY, STATE OR COUNTRY

3d Ultrasound, Inc., Durham, NC; 3m, Tustin, CA; 3m Health Care, Ann Arbor, MI; A. Stein-R.A. Consulting, Ginot Shomron, Israel; A.S. Laerdal, Stavanger, Norway; A.Z.E. Medical, Inc., Brooklyn, NY; Abaxis, Inc., Sunnyvale, CA; Absolute X-Ray Corp., New York City, NY; Abtek Biologicals, Ltd., Liverpool, United Kingdom; Accumed Intl., Inc., Chicago, IL; Accumed Intl., Inc., Westlake, OH; Accutome, Inc., Malvern, PA; Actimed Laboratories, Inc., Burlington, NJ; Acuson Corp, Mountain View, CA; Adac Medical Technologies, Washington, MO; Adac Laboratories, Milpitas,CA.

Adac Health Information Systems, Houston, TX; Adapteck, Inc, Des Plaines, IL; Advance Scientific, Inc, Guaynabo, PR; Advanced Biomedical Devices, Inc, Andover, MA; Advanced Medical Instruments, Inc, Broken Arrow, OK; Advanced Bio-Science, Inc, Santa Clara, CA; Advanced Radiation Therapy, Cordova, TN; Advanced Nuclear Imaging Corp, Hollywood, FL; Advanced Medical Products, Inc, Columbia, SC; Advantage Medical Division of CME Telemetrix, London, Canada; Aerosport, Inc, Ann Arbor, MI; AFP Imaging Corp, Elmsford, NY; Agfa-Gevaert, NV, Mortsel, Belgium.

Air Tecniques Inc, Hicksville, NY; Air Liquide-Big Three, Inc, Houston, TX; Airgas Northeast Inc, Salem, NH; Airgas South Inc, unknown, unknown; Airgas Specialty Gases, Theodore, AL; Airgas South, Marietta, GA; Airgas Mid-Atlantic Inc, Linthicum, MD; Airgas-Mid South Inc, Tulsa, OK; Airgas-Northern California & Nevada, San Leandro, CA; Airsep Corp, Buffalo, NY; Aiv Systems, Inc, Berlin, NJ; Alaris Medical Systems, Inc, San Diego, CA; Alban Scientific, Inc, St Louis, MO.

Albyn Medical Limited, Dingwall, United Kingdom; Alcon Laboratories, Ft Worth, TX; Alcopro, Inc, Knoxville, TN; Alerchek, Inc, Portland, ME; Alert Care, Inc, Mill Valley, CA; Alexander Mfg Co, Mason City, IA; Alfa Biotech Spa, Pomezia Rome, Italy; Alko Diagnostic Corp, Holliston, MA; Aloka Co, Ltd, Tokyo, Japan; Alpha Biomedical Laboratories, Bellevue, WA; Alpha Antigens, Inc, Columbia, MO; Althin Medical, Miami Lakes, FL; Alvar, Northbrook, IL; Alza Corp, Palo Alto, CA; Ambulatory Monitoring, Inc, Ardsley, NY; Amcest Corporation, Roselle, NJ.

American Technology Exchange, Inc, Island Lake, IL; American X-Ray Co, Inc, Knoxville, TN; American Science & Engineering, Inc, Billerica, MA; American Laboratory Products, Windham, NH; American Qualex, Inc, San Clemente, CA; American Blood Resources Assn, Annapolis, MD; American Bio Medica Corp, Ancramdale, NY; American Research Products Co, Solon, OH; American National Red Cross, Arlington, VA; American Medical Systems, Inc, Minnetonka, MN.

Ameriwater, Dayton, OH; Amersham Holdings, Inc, Arlington Heights, IL; Amico Lab, Inc, Nashville, TN; Amlab, Nynashamn, Sweden; Ampcor Diagnostics, Inc, Bridgeport, NJ; Amsino Intl, Inc, Pomona, CA; Amuchina Intl, Inc, Gaithersburg, MD; Analyte Diagnostics, Inc, Hallandale, FL.

Analytic Bio-Chemistries, Inc, Feasterville, PA; Ancorvis Prof Morandi SRL, Bolonga, Italy; Andries Tek Incorporated, Austin, TX; Anesthesia Equipment Supply, Inc, Black Diamond, WA; Anesthesia Recording, Inc, Pittsburg, PA; Anesthesia Association, Inc, San Marcos, CA; Angiodynamics, Inc, Queensbury, NY; Angiodynamics, Ltd, County Wexford, Ireland; Anzai Medical Co, Ltd, Tokoyo, Japan; Aoot Zavod Komponent Moscow, Russia; Apcot Medical Systems, Philadelphia, PA; Apelex, Bagneux, France; Apheresis Technologies, Inc, Palm Harbor, FL; Apollo Dental Products, Inc, Clovis, CA; Apothecary Products, Inc, Burnsville, MN; Applied Cardiac Systems, Laguana Hills, CA; Applied Membranes, Inc, San Marcos, CA; Applied Water Engineering, Inc, Salt Lake City, UT; Applied Biometrics, Inc, Burnsvile, MN; Applied X–Ray Technologies, Inc, Denver, CO; Applied Science Group, Inc, Bedford, MA; Applied Sciences Corp, Hsinchu City, China; Aquamatch, Inc, Laguana Hills, CA; Areeda Assoc, Ltd, Los Angeles, CA; Arndorfer Medical Specialties, Greendale, WI; Aspect Medical Systems, Inc, Natick, MA; Associates In Reliable Medical Systems Corp, Inc, Pt Charlotte, FL.

Astraea, Richmond, VA; Atl–Echo Ultrasound, Reedsville, PA; Atlas Researches, Ltd, Hod Hasharon, Israel; Atmos Medizintechnik Gmbh & Co, Lenzkirch, Germany; Audo-Aid, Inc, Hato Rey, PR; Augustine Medical, Inc, Eden Prairie, MN; Automated Medical Products Corp, New York, NY; Automated Voice Systems, Inc, Yorba Linda, CA; Automed Corp, Richmond, BC, Canada, Aventric, Technologies, Madison Heights, MI;

Avionics Specialties, Inc, Charlottesville, VA; B Braum Medical, Inc, Irvine, CA; Ballco Products, Greenwich, CT; Ban Nguyen, Westminister, CA; Banta Healthcare Products, Inc, Neenah, WI; Banyan Intl Corp, Abilene, TX; Barex, Ltd, Minneapolis, MN; Bartels, Inc, Issaquah, WA; Base Ten Systems, Inc, Trenton, NJ; Baxter Cardiovascular Group, Irvine, CA; Baxter Research Medical, Inc, Midvale, UT; Bay Shore Medical Equipment Corp, Bayshore, NY; Bay Area Medical Physics, Inc, Aptos, CA; Bayer Corp, West Haven, CT; Bayer Corp, Tarrytown, NY; Bayer Corp, Elkhart, IN.

Bayer Corp, Berkeley, CA; Baylor Biomedical Services, Dallas, TX; Bbi-Source Scientific, Inc, Garden Grove, CA; Beckman Instruments, Inc, Naguabo, PR; Beckman Instruments, Inc, Chaska, MN; Behavioral Technology, Inc, Salt Lake City, UT; Behring Diagnostics, Inc, Westwood, MA; Bei Medical System Co, Inc, Hackensack, NJ;

Beijing Imports, Houston, TX; Benchmark Reagents, Horsham Vic 3400, Australia, Berliner, Corcoran & Rowe, Washington, DC; Berthold Detection Systems, Pforzheim, Germany; BG Imaging Specialties, Inc, The Bronx, NY; Biermana and Muserlain, New York, NY; Biex, Inc, Dublin, CA; Bio-Medical Products Corp, Mendham, NJ; Bio-Mechanical Healthcare, Inc, Toronto, Canada; Bio/Data Corporation, Horsham, PA.

Bio-Phase Diagnostics Laboratory, Mississauga, Ontario, Canada; Bio-Analytics Laboratories, Inc, Palm City, FL; Bio-Whittaker, Inc, Walkersville, MD; Bio-Test Medical, Inc, Gibsonia, PA; Bio-Tek Instruments, Inc, Winooski, VT; Bio-Instrumentation, Inc, Goleta, CA; Bio-Clin, Inc, St. Louis, MO; Bio-Logic Systems Corp, Mundelein, IL; Bio-Rad Laboratories Gmbh, Munchen, Germany; Bioanalytical Systems, Inc, West Lafayette, IN; Biochem Immunosystems, Inc, Allentown, PA.

Biochemical Diagnostic, Inc, Brentwood, NY; Biochemical Trade, Inc, Miami, FL; Biocon Do Brasil Industrial, Ltd, Rio De Janeiro, Brazil; Biodex Medical Systems, Inc, Shirley, NY; Biofeedback Instruments, Inc, New York, NY; Biofield Corp, Roswell, GA; Biogenetic Technologies, Inc, Tampa, FL; Biokinetix Corp, Stamford, CT; Biokit SA, Barcelona, Spain; Biomed Healthcare, Inc, Irvine, CA; Biomerieux Sa, Marcy Letoile, France; Bionostics, Inc, Acton, MA; Biopool Intl, Inc, West Chester, PA; Biopool Intl, Inc, Ventura, CA; Biosensor Corp, Maple Grove, MN.

Biosolve, Issaquah, WA; Biosyn, Ltd, Belfast, Ireland; Biosys Co, Ltd, Seoul, Korea; Biosystems, SA, Barcelona, Spain; Biotecx Laboratories, Inc, Houston, TX; Biotronik, Inc, Lake Oswego, OR; Biozonics, Inc, Mequon, WI; Blackhawk Biosystems, Inc, San Ramon, CA; Blood Trac Systems, Inc, Toronto, Canada; Blood Systems, Inc, Scottsdale, AZ; Blood Bank Computer Systems, Inc, Auburn, WA; Blue Spring Corp, Port Lavaca, TX; Bnos Meditech Ltd, Essex, United Kingdom; Bobes SA, Madrid, Spain; Body Watch, Inc, Winston-Salem, NC; Boehringer Mannheim Corp, Indianapolis, IN.

Boehringer Biochemia Robin, SPA, Monza, Italy; Boehringer Mannheim Corp, Pleasanton, CA; Booth Medical Equipment Co, Inc., Alexander, AR; Borgatta, Mexico City, Mexico; Boston Medical Products, Inc, Westborough, MA; Boston Scientific Corp, Natick, MA; Bowles, Keathing Epsteen Hering & Lowe Chartere, Chicago, IL; Boyce Regulatory & Quality Consulting, Dallas, TX; Braemer Corporation, Burnsville, MN; Brainlab Gmbh, Heimstetten, Germany; Brand X-Ray Co, Inc, Addison, IL; Brooks Medical Systems, Inc, Everett, WA; Bruce Med Supply, Waltham, MA.

Brunswick Biomedical Technologies, Wareham, MA; Buckman Co, Inc, Concord, CA; Buffington Clinical Systems, Cleveland, OH; Buhlmann Laboratories, Schonenbuch, Switzerland; Burke Neutech, Inc, St Petersburg, FL; Burkhart Raentgen, Inc, St Petersburg, FL; Buxton Biomedical, Inc, Mountain Lakes, NJ; C & C Oxygen Co, Chattanooga, TN; Caliber Medical Corp, Reno, NV; Calibur Dental Technologies, Inc, King City, Canada; Cambridge Heart, Inc, Bedford, MA.

Cameron Medical Corp, South Gate, CA; Camtronics, Ltd, Hartland, WI; Canon USA, Inc, Lake Success, NY; Canwest Medictex, Inc, Vancouver, Canada; Canyon Diagnostics, Inc, Anaheim, CA; Capintec, Inc, Pittsburgh, PA; Caprius, Inc, Wilmington, MA; Cardiac Pacemakers, Inc, St Paul, MN; Cardiac Telecom Corp, Turtle Creek, PA; Cardiac Evaluation Center, Inc, Milwaukee, WI; Cardiac Care Units, Inc, Woodlands Hills, CA; Cardiac Science, Inc, Irvine, CA; Cardio Control; The Netherlands, Netherlands, Cardio Technics, SA, Puebla, Mexico.

Cardiodynamics International Corp, San Diego, CA; Cardiodyne, Inc, Irvine, CA; Cardiovascular Diagnostics, Inc, Raleigh, NC; Caring Technologies, Inc, Bethesda, MD; Caroba Plastics, Inc, Englewood, CO; Carolina Liquid Chemistries Corp, Brea, CA; Carter-Wallace, Inc, Cranbury, NJ; Cassling Diagnostics Imaging, Omaha, NE; Catalyst Research Corp, Owings Mills, MD; CDC Technologies, Inc, Oxford, CT; Cemax-Icon, Inc, Fremont, CA; Cenogenics Corp, Morganville, NJ.

Cerium Visual Technologies, Ltd, Tenterden, United Kingdom; Cerner Corp, Kansas City, MO; Chadwick Miller, Inc, Canton, MA; Challenge Unlimited, Inc, Alton, IL; Chem-Index, Inc, Hialeah, FL; Chembio Diagnostic Systems, Inc, Medford, NY; China National Medicines & Health Products, Beijing, China; Chisolm Biological Laboratory, Aiken, SC; Chori America, Inc, New York, NY; Cimetra, West Chazy, NY; Cine Graphics, Inc, Grand Prairie, TX; Circuit Board Assemblers, Inc, Youngsville, NC; Cirrus Air Technologies, Locust Valley, NY; Clin-Chem Mfg, Minden, NV.

Clinetics Corporation, Tustin, CA; Clinical Standards Laboratories, Inc, Rancho Dominguez, CA; Clinical Diagnostics, Inc, Chester, SC; Clinico, Bad Hersfeld, Germany; Clinicomp International, Inc, San Diego, CA; Clover International Corp, Tokyo, Japan; Cobe Cardiovascular, Inc, Arvada, CO; Cobe Bct, Inc, Lakewood, CO; Coeur Laboratories, Inc, Raleigh, NC; Colin Corp, Komaki City,

Japan; Colin Medical Instruments Corp, San Antonio, TX; Colorado Medtech, Inc, Longmont, CO; Columbis Scientific, Inc, Columbia, MD; Columbus Instruments Intl Corp, Columbus, OH.

Combined Instruments, Ltd, Sailkot, Pakistan; Comet AG, Liebefeld, Switzerland; Communications & Power Industries Canada, Inc, Georgetown, Canada; Composite Health Care System, Falls Church, VA; Composites Horizons, Inc, Covina, CA; Compumedics Sleep Pty Ltd, Melbourne, Australia; Compur-Electronic, Munich, Germany; Computerized Screening, Inc, Sparks, NV; Concord E & I, Woodstock, IL; Consulting Western Services, Lakewood, CA; Consumer Sensory Products, Inc, Palo Alto, CA; Continental Laboratory Products, Inc, San Diego, CA.

Cook Vascular, Inc, Leechburg, PA; Cordis Corporation, Miami Lakes, FL; Cordis Webster, Inc, Baldwin Park, CA; Cordis Corporation, Warren, NJ; Corning Samco Corp, San Fernando, CA; Corning, Inc, Corning, NY; Corp Brothers, Inc, Providence, RI; Cortex Biophysik, Frankfurt, Germany; Cranford X-Ray Co, Houston, TX.

Creative Medical Development, Inc, Nevada City, CA; Creative Biomedics, San Clemente, CA; Creative Health Products, Inc, Plymouth, MI; Critical Care Systems, Inc, Hollywood, FL; Critikon, Tampa, FL; Crossover Industry Products, Inc, Norwalk, CA; Crystal, Berlin, Germany; CTI Pet Systems, Inc, Knoxville, TN; CTI Services, Inc, Knoxville, TN; Custom X-Ray Service, Inc, Phoenix, AZ; Custom Med, Munchen, Germany; Cyberlab, Inc, Brookfield, CT; Cygnus, Inc, Patterson, NJ; Dacomed Corp, Newport Beach, CA; Dade Microscan, Inc, West Sacramento, CA.

Dade Chemistry Systems, Inc, Newark, DE; Dae II Tech Co, Ltd, Seoul, Korea; Daily Medical Products, Inc, San Diego, CA; Danby Medical Ltd, Essex, England; Dantec Medical, Inc, Allendale, NJ; Data Medical Associates, Inc, Arlington, TX; Dav-Mar Medical Products, Inc, Commack, NY; Dayton Water Systems, Dayton, OH; Del Medical Systems Corp, Valhalla, NY; Delta Quality Consulting, Plano, TX; Department of Veterans Affairs, Bay Pines, FL; Department of Veterans Affairs, Washington, DC; Deputy Intl, Ltd, Leeds, United Kingdom; Deroyal Industries, Inc, Powell, TN.

Dexall Biomedical Labs, Inc, Gaithersburg, MD; DGH Technology, Inc, Exton, PA; Diabetes Control & Care Technology, Eden Prairie, MN; Diagnostic Technology, Inc, Hauppauge, NY; Diagnostic Monitoring, Irvine, CA; Diagnostic Medical Systems, Inc, Fargo, ND; Diagnostic Systems Laboratories, Webster, TX; Diagnostic Monitoring Software, Tustin, CA; Diagnostic Resources, Inc, Bay Port, NY; Diagnostic Specialties, Metuchen, NJ; Diagnostic Instruments, Inc, Lorain, OH; Diagnostics Biochem Canada, Inc, London, Canada; Diamedix Corp, Miami, FL.

Diametrics Medical, Inc, Roseville, MN; Diametrics Medical, Ltd, HIgh Wycombe, United Kingdom; Diasorin/American Standard Co, Columbia, MD; Diasorin, Columbia, MD; Diasys Corp, Waterbury, CT; Diatech Diagnostics, Inc, Boston, MA; Difco Laboratories, Inc, Detroit, MI; Digi-Trax Corp, Buffalo Grove, IL; Digicare Biomedical Technology, Inc, West Palm Beach, FL; Digivision, Inc, San Diego, CA; Dimeda Instrumente, Tuttlingen, Germany; Direct Marketing Enterprises Healthhouse, Westbury, NY; Dis-Digital Systems, Inc, Walnut, CA; Disetronic Medical Systems, Minneapolis, MN.

Diversified Electronics Co, Inc, Philadelphia, PA; DM Davis, Inc, New York, NY; Dolphin Imaging Systems, Woodland Hills, CA; Dong-A Medical Imaging, Inc, Santa Fe Springs, CA; Dong Bang, Santa Fe Springs, CA; Dornier Medical Systems, Kennesaw, GA; Dornier Surgical Products, Inc, Phoenix, AZ; DPA Consulting, Inc, Urbanna, VA; Drager, Inc, Telford, PA; DRG International, Inc, Mountainside, NJ; Drug Screening Systems, Inc, Blackwood, NJ; Dynamic Industries Ltd, Siaikot, Pakistan; E K Ind Inc, Joilet, IL; E-Systems Medical Electronics Inc, San Antonio, TX.

E I Du Pont De Nemours and Company, Inc, Wilmington, DE; E Merck, Darmstadt, Germany; E & M Engineering, Inc, Richmond, VA; Eagle Diagnostics, DeSoto, TX; Eagle Health Supplies, Orange, CA; Eastern Anesthesia, Inc, Newtown, PA; Eastern Export Enterprises, Wazirabad, Pakistan; Eaton Care Telemetry, Inc, Manchester, MI; Edap Technomed, Inc, Burlington, MA; Eigen Video, Nevada City, CA; Eiken Chemical Company, Inc, Venice, CA; Eisner Cit Medizintechnik Gmbh, Balgheim, Germany; Elcat, Gmbh, Wolfratshausen, Germany.

Electron Company, Ltd, Taipei, China; Electron-Catheter, Company, Rahway, NJ; Electronics Controls Design, Inc, Milwaukie, OR; Electronic Monitors International Corp, Euless, TX; Electronic Design & Research, Louisville, KY; Electronic Services Mart, Inc, St. Louis, MO; Elekon Industries USA, Inc, Torrance, CA; Elekta Instruments, Inc, Atlanta, GA; Elema-Schonander, Hoffman Estates, IL; Elgems, Ltd, Haifa, Israel; Elias USA Inc, Osceola, WI.

Em Science, Gibbstown, NJ; Emma Marketing Company, Edison, NJ; Ems Products, Inc, Kirkland, WA; Ems Handelsgesellschaft MBH, Korneburg, Austria; Endocrine Sciences, Calabasas Hills, CA; Endoscopy Technology, Inc, Miami, FL; Endosonics Corp, Rancho Gordova, CA; Enthermics Medical Systems, Inc, Menomonee Falls, WI; Environmental Tectonics Corp, Southampton, PA; Enzo Biochem, Inc, Farmingdale, NY; Ep Medsystems, Inc, Mount Arlington, NJ.

Epoch Pharmaceuticals, Inc, Bothell, WA; Eppendorf Geratebau Netheler & Hinz, Attleboro, MA; Erbrich Instrumente Embh, Tuttlingen-16, Germany; Eschenbach Optik of America, Ridgefield, CT; Eschmann Equipment, Lancing, Sussex, United Kingdom; Eschweiler Gmbh & Company, Kiel, Germany; Estrin Consulting Group, Potomac, MD; Eucardio Laboratory, Inc, San Diego, CA; Euro Advanced Technics, Barcelona, Spain; Europa Scientific, Ltd, Crewe Cheshire, United Kingdom; Ewa Industries, Inc, Miami, FL; Exocell, Inc, Philadelphia, PA; Falcon Surgical Company, Sialkot, Pakistan.

Feinfocus Medizintechnik Gmbh, Garbsen, Germany; Ferring Pharmaceuticals Inc, Tarrytown, NY; Fertility Technologies, Inc, Natick, MA; Fiberstars, Inc, Fremont, CA; Fidelity Medical, Inc, Fairfield, NJ; Fidelity Medical, Inc, Florham Park, NJ; Firehouse Medical, Inc, Anaheim, CA; Fischer Industries Incorporated, Geneva, IL; Fitcraft International, Inc, Rosemead, CA; Flowscan, Inc, Mill Valley, CA; Flowtronics, Inc, Phoenix, AZ; Fmc Bioproducts, Div Fmc Corp, Rockland, ME; Focal Corp, Tokyo, Japan; Focus Biomedical Technologies, Inc, Ontario, Canada.

Forefront Diagnostics, Inc, Laguna Hills, CA; Foshan Analytical Equipment Corporation, Foshan, China; Fresco Podologia S L, Barcelona, Spain; Fresenius Medical Care North America, Lexington, MA; Fukuda Denshi America Corp, Redmond, WA; Fukuda M–E Kogyo Company, Ltd, Tokyo, Japan; Fukuda Denshi Co, LTD, Tokyo, Japan; Futuremed America, Inc, Granada Hills, CA; G & J Electronics, Inc, Ontario, Canada; G U Manufacturing, London, United Kingdom; G Dundas Company, Black Diamond, WA; Gallant International, Inc, Flushing, NY.

Gambro Healthcare, Lakewood, CO; Gamma Biologicals, Inc, Houston, TX; Gammex, Inc, Middleton, WI; Gas Tech, Hillside, IL; Gateway Airgas, St Louis, MO; Gatron Corporation, Woburn, MA; Gds Techology, Inc, Elkhart, IN; Gelco Diagnostics, Inc, Shreveport, LA; Gelman Sciences, Inc, Ann Arbor, MI; Gendex-Del Medical Imaging Corp, Franklin Park, IL; General Laboratory Instruments, Delhi, India; General Medical, Inc, Clearwater, FL; Genesis Medical Technology, Inc, Owings Mills, MD; Genzyme Corp, Cambridge, MA; Geopure Systems & Services, Inc, Orlando, FL; Gerard Enterprises, Inc, Waukesha, WI; Glass Hi Tech Srl, Masera'Di Padova, Italy.

Glaxo Australia Ply Ltd, Victgoria, Boronia, Australia; Global Surgical Corporation, St. Louis, MO; GNS Audiometrics, Inc, Wheeling, IL; Go-Mi, Inc, San Anselemo, CA; Go Medical Industries Pty Ltd, Subiaco Perth, Australia; Golden Pacific Industrial Ltd, Tsuen Wan Nt, Hong Kong; Gordon N Stowe and Associates, Wheeling, IL; Graphic Controls Corp, Buffalo, NY; Great Smokies Diagnostic, Asheville, NC; Grundig Professional Electronics Gmbh, Fuerth/Bavaria, Germany; Guest Medical, Ltd, Edenbridge, Kent, United Kingdom; Gulmay Medical Ltd, Shepperton, Middlesex, United Kingdom.

Hacker Industries, Inc, Fairfield, NJ; Haemonetics Corp, Braintree, MA; Hal-Hen Co Inc, Long Island City, NY; Hamamatsu Corp, Bridgewater, NJ; Hamilton Medical, Inc, Reno, NV; Harley Street Software Ltd, Victoria, BC, Canada; Harpell Associates, Inc, Oakville, Ontario, Canada; Harrigan Medical Products, Inc, Manchester, VT; Harta Corp, Gaithersburg, MD; Hawaii Mega-Cor, Inc, Aiea, HI; Hawksley & Sons Ltd, Lancing, West Sussex, United Kingdom; HBCI, Los Angeles, CA; Health Images, Inc, Alpharetta, GA; Healthcentric, LLC, Secauscus, NJ.

Healthdyne Technologies, Marietta, GA; Heartlab, Inc, Westerly, RI; Heartstream, Inc, Seattle, WA; Helena Laboratories, Beaumont, TX; Helix Diagnostics, Inc, West Sacramento, CA; Heller Laboratories, Sparks, NV; Hermes Systems, SA, Angleur, Belgium; Hi-Tronics Designs, Inc, Budd Lake, NJ; Hichem Diagnostics, Brea, CA; Hill-Rom Air Shields, Hatboro, PA; Hill-Med Inc, Miami, FL; Hillusa, Inc, Miami, FL; Hitachi, Ltd, Hitachinaka, Japan; Hitachi Instruments, Inc, San Jose, CA; Hitachi Science Systems, Ltd, Hitachinaka-Shi, Japan; Hitachi Medical Systems America, Inc, Twinsburg, OH.

Hobbs Medical, Inc, Stafford Springs, CT; Hofmann-Nagel Medical Systems, Inc, Irvine, CA; Hogan & Hartson, Washington, DC; Home Diagnostics, Inc, Fort Lauderdale, FL; Honda Electronics Company, Ltd, Toyohashi, Aichi, Japan; Hope Imaging Corp, Willow Grove, PA; Horizon Medical Products, Inc, Manchester, GA; Horizons Research Laboratories Inc, Margate, FL; Hortmann Ag, Neckartenzlingen, Germany; Hti Technologies, St Petersburg, FL; Hudson Respiratory Care, Inc, Temecula, CA; Hugh Steeper Ltd, London, United Kingdom.

Huntleigh Technology, Inc, Manalapan, NJ; Hycor Biomedical, Inc, Garden Grove, CA; Hyundai Pharmaceutical Ind Co Ltd, Bucheon City, Republic of Korea; I-Fuii Enterprise Company, Ltd, Ping-Tung Hsein, China; I-Flow Corp, Lake Forest, CA; I-Stat Corp, Princeton, NJ; Ia Systems, Inc, Albany, NY; Ibl Gmbh, Hamburg, Germany; Ics Medical Corp, Schaumburg, IL; Ifci/Clonesystems Spa, Casalecchio Di Reno, Italy; Igen International, Inc, Gaithersburg, MD; Ihara Medics US, Inc, Valencia, CA; Image Analysis, Inc, Columbia, KY; Imaging Accessories, Inc, Salt Lake City, UT.

Imatron, Inc, South San Francisco, CA; Immco Diagnostics, Inc, Buffalo, NY; Immunalysis Corp, San Dimas, CA; Immuno Gmbh, Heidelberg, Germany; Immuno Concepts Inc, Sacramento, CA; Immuno-Diagnostic Lab and Products, La Mirada, CA;

Immunostics, Inc, Ocean City, NJ; Immunotech Corp, Westbrook, ME; Imnet Systems, Inc, Alpharetta, GA; Infusion Medical, Inc, Wheat Ridge, CO; Innerspace, Inc, Santa Ana, CA; Innogenetics SA, Haven, Sweden; Innomed Systems, Inc, Apopka, FL; Innoserve Technologies, Inc, Arlington, TX; Innovation Instruments Inc, Tallahassee, FL.

Innovative Concept Development, Inc, Littleton, CO; Innovative Imaging, Inc, Sacramento, CA; Innovative Medical Systems Corp, Ivyland, PA; Inovix Imaging Technologies, Inc, Rockville, MD; Instromedix, Inc, Hillsboro, OR; Instrumentarium Imaging, Tuusula, Finland; Instrumentation Laboratory, Lexington, MA; Instrumentation for Medicine, Inc, Greenwich, CT; Integra Biosciences, Inc, Lowell, MA; Integrated Display Technology, Ltd, Hunghom, Hong Kong; Integrated Diagnostics, Inc, Baltimore, MD; Integrity Products, Inc, Grandview, MO.

Integrated Medical Devices Inc, Syracuse, NY; International Newtech Development, Inc, Delta, Canada; International Medical Industries, Coral Springs, FL; International Diagnostics Group Plc, Bury, United Kingdom; International Medical Equipment Brokers, Mandeville, LA; International Hospital Supply Company, Los Angeles, CA; Inventive Products, Inc, Decatur, IL; Inveresk Research (NA), Inc, San Rafael, CA; Invitro Diagnostika Gmbh, Mainz Kastel, Germany; Invivo Research, Inc, Orlando, FL; Ionetics Inc, Fountain Valley, CA; Iowa Doppler Products, Inc, Iowa City, IA.

Ironwood Industries, Inc, Libertyville, IL; Ite Sheltered Workshop, St Louis, MO; Itt Electro Optical Products Div, Roanoke County, VA; IV Diagnostics, Inc, Shelton, CT; J S Biomedicals, Inc, Ventura, CA; J J Consulting Services, Inc, Miami, FL; J & M Cylinder Gases, Inc, Decatur, AL; J & T Instruments, Tuttlingen, Germany; J & S Medical Associates, Inc, Framingham, MA; Jaco Medical Equipment, Inc, San Diego, CA; Jamieson Film Company, Dallas, TX; Jayza Corp, Miami, FL; Jim's Instrument Mfg, Inc, Iowa City, IA; Johnson & Johnson Professionals, Inc, Raynham, MA.

Johnson & Johnson Clinical Diagnostics, Inc, Rochester, NY; Jones Medical Instrument Co, Oak Brook, IL; Jostra USA, Austin, TX; Jouan S A, Saint Herblain, France; Jpi, Inc, Santa Monica, CA; JS & A Group, Las Vegas, NV; Jungwon Precision Ind Co Ltd, Seoul, Republic of Korea; K W Griffen Company, Norwalk, CT; Kam Ma Trading Company, Tsuen Wan, Hong Kong; Kardiosis Ltd Co, Ankara, Turkey; Karmel Medical Acoustic Technologies Ltd, Tirat Hacarmel, Israel; KAS and Associates, Nottingham, United Kingdom; Kasha Software, Inc, Charlotte, NC.

Katecho, Inc, Des Moines, IA; Kaulson Laboratories, Inc, West Caldwell, NJ; Keithley Instruments, Inc, Solon, OH; Keomed, Inc, Minnetonka, MN; Kimble Glass, Inc, Vineland, NJ; King Diagnostics, Inc, Indianapolis, IN; KNC Systems, Inc, Merrimack, NH; Knighton Limited, Buckhurst Hill, Essex, United Kingdom; Koda and Androlia, Los Angeles, CA; Komed, Budapest, Hungary; Konica Corporation, Hino City, Tokyo, Japan; Kontron Instruments Ag, Basel, Schweiz, Germany; Kowa Optimed, Inc, Torrance, CA; Kumar, Inc, Rio Piedros, PR; Kurt K Fetzer, Tuttlingen, Germany.

Kwm Electronics Corp, West Jordan, UT; L–3 Communications Corp, Camden, NJ; L2 Systems, Inc, Austin, TX; La Mont Medical, Inc, Madison, WI; Lab Vision Corp, Fremont, CA; Labconco Corp, Kansas City, KS; Laboratories Knickerbocker, Barcelona, Spain; Laboratory Equipment Corp, Mooresville, IN; Labsystems Oy, Helsinki, Finland; Ladd Research Industries, Inc, Burlington, VT; Lallvet Medical, Inc, West Allis, WI; LC Technologies, Inc, Fairfax, VA; Le Medikon Products Inc, Anaheim, CA; Leocor Inc, Houston, TX; Lexicor Medical Technology, Inc, Boulder, CO.

Life Sciences International, Ltd, Astmoor, Runcorn, Cheshire, United Kingdom; Life Tech International Inc, Stafford, TX; Lifecare Medical International Corp, Philadelphia, PA; Lifeline Systems, Inc, Cambridge, MA; Lifescan, Inc, Milpitas, CA; Lifesensors, Inc, Upper Montclair, NJ; Lifesign LLC, Somerset, NJ; Light Diagnostics, Temecula, CA; Lightner Specialty Gas, Inc, Wichita, KS; Linsure Industries, Ltd, Taipei, Taiwan; Liston Scientific Corp, Irvine, CA; Localmed, Inc, Palo Alto, CA; London Health Sciences Centre, London, Ontario, Canada; Low High Enterprise Co, Ltd, Kaohsiung, China.

Lp Italiana Spa, Milano, Italy; Luminaud, Inc, Mentor, OH; Lumisys, Inc, Tucson, AZ; Lumitex, Inc, Strongsville, OH; Lunar Corp, Madison, WI; Luxilon, Antwerp, Belgium; LXN Corp, San Diego, CA; Lyons Medical Instrument, Sylmar, CA; M I T Service, Inc, San Diego, CA; M & C Specialties Company, Southampton, PA; M A S, Inc, Burlington, NJ; Mabis Healthcare, Inc, Lake Forest, IL; Madsys Inc, Hasbrouck Heights, NJ; Magna Medical, Inc, Miami, FL; Magna-Lab, Inc, Syosset, NY; Magnetic Research, Inc, Provo, UT.

Maine Oxy-Acetylene Supply Company, Auburn, ME; Mallinckrodt Inc, St Louis, MO; Mardx Diagnostics, Inc, Carlsbad, CA; Marox Corporation, Springfield, MA; Marquette Hellige, Freiburg, Germany; Mars Metal Company, Ltd, Yorba Linda, CA; Master-Pak Lab, Inc, Paterson, NJ; Mathys Medical Ltd, Bettlach, Switzerland; Matreya, Inc, Pleasant Gap, PA; Matsuhita Communication Industrial Company, Ltd, Yokohama, Kanagawa, Japan; Maxxim Medical, Inc, Athens, TX; MBI Inc, Las Vegas, NV; Mca Software Services, Inc, Tucson, AZ; Med-Acoustics, Inc, Stone Mountain, GA.

Med-I-Co, Signal Hill, CA; Medamicus, Inc, Minneapolis, MN; Medela Inc, McHenry, IL; Medese Ag, Zurich, Switzerland; Medex, Inc, Hilliard, OH; Medgyn Products, Inc, Oak Brook, IL; Medi Nuclear Corp, Inc, Baldwin Park, CA; Medic, Inc, Omaha, NE; Medical Physics Colorado Inc, Boulder, CO; Medical Information Systems of Maryland, Baltimore, MD; Medical Information Technology, Inc, Westwood, MA; Medical Analysis Systems, Inc, Camarillo, CA; Medical Measurements, Inc, Hackensack, NJ; Medical Technical Gases Inc, Medford, MA; Medical Systems Engineering, Inc, Oakland, CA.

Medical Chemical Corp, Santa Monica, CA; Medical Reports Exchange Inc, Baltimore, MD; Medical Imaging Technology Associates, Inc, Mainland, PA; Medical Knowledge Systems, Inc, Boulder, CO; Medical Systems Engineering, Inc, Baltimore, MD; Medical Data Electronics, Inc, Arleta, CA; Medical Device Industry, St Wendel, Germany; Medication Delivery Devices, Inc, San Diego, CA; Medicor, Budapest, Hungary; Medilink, Montpellier, France; Medim Histotechnologie, Gieben, Germany; Medimatic, New York, NY; Medionics International Inc, Markham, Ontario, Canada.

Medis S R L, Milano, Italy; Medisense, Inc, Bedford, MA; Medisense Contract Manufacturing, Ltd, Abingdon, Oxon, United Kingdom; Medisol Ltd Medical Products, St Louis, MO; Medison America, Inc, Pleasanton, CA; Medisurg Industries, Inc, Herndon, VA; Meditec, Company Ltd, Dongdaemun-Ku, Seoul, Republic of Korea; Mediware Information Systems, Inc, Melville, NY; Medro Systems, Inc, McKinney, TX; Medstone International, Inc, Aliso Viejo, CA; Medsys, Inc, Hasbrouck Heights, NJ; Medtec Corp, Chapel Hill, NC; Medtronic Ps Medical, Goleta, CA.

Medtronic Bio-Medicus, Inc, Eden Prairie, MN; Medtronic Neurological, Minneapolis, MN; Medx, Inc, Arlington Heights, IL; Mela Gmbh Elektromdizin, Munich, Germany; Melco Wire Products Co, Glendale, CA; Memtec Corporation, Salem, NH; Mentor Corp, Santa Barbara, CA; Mercodia, Uppsala, Sweden; Mercury Enterprises, Inc, Clearwater, FL; Merss Corp, Indianapolis, IN; Mesys, Hanover, Germany; Metavox, Inc, Vienna, VA; Metra Biosystems, Inc, Mountain View, CA; Metraco Diagnostics, Inc, Houston, TX; Michigan Airgas, Midland, MI.

Micro Focus Imaging, Inc, Wheeling, IL; Micro-Shev Limited, Efrat, Israel; Micro-Processor Services, Inc, Huntington Station, NY; Micromedical, Inc, Northbrook, IL; Microwave Medical Systems, Inc, Acton, MA; Mie America, Inc, Elk Grove Village, IL; Millar Instruments, Inc, Houston, TX; Millennia Technology, Inc, Cheswick, PA; Mine Safety Appliances, Co, Cranberry Township, PA; Mir Medical International Research, Roma, Italy; Mitsubishi Electronics America, Inc, Somerset, NJ; Mizuho USA, Inc., San Diego, CA; Modular Instruments, Inc., Malvern, PA.

Moduls Data Systems, Inc, Santa Clara, CA; Molecular Bio-Products Service Corp, San Diego, CA; Monarch Medical Equipment, Ltd, Staten Island, NY; Monobind, Costa Mesa, CA; Morgan Medical Ltd, Rainham, Kent, United Kingdom; Mortara Instrument, Inc, Milwaukee, WI; MPI Medical Products, Inc, Miami, FL; MRI Devices Corp, Waukesha, WI; MTC-Quintiles, Rockville, MD; MUI Scientific, Mississauga, Ontario, Canada; Multidata Systems International Corp, St Louis, MO; Multigon Industries, Inc, Yonkers, NY; Multisciences, Inc, Berwick, ME; Multispiro/Creative Biomedics, San Clemente, CA.

MWI, Inc, Dallas, TX; Myraid Ultrasound Systems, Inc, Englewood, NJ; N-Ject LPP, McHenry, IL; Nagase Corp, Tokyo, Japan; National Medical Services, Inc, Willow Grove, PA; National Instrument Company, Inc, Baltimore, MD; NBS Medical, Inc, Costa Mesa, CA; NCS Healthcare of Oklahoma, Del City, OK; NCS Diagnostics, Inc, Etobicoke, Ontario, Canada; Neal Compton Enterprises, Inc, Benicia, CA; Nellcor Puritan Benntt Ireland, Ltd, Galway, Ireland; Nen Life Science Products Inc, Boston, MA; Neogenesis Corp, East Northport, NY.

Neometrics, Inc, East Northport, NY; Neopath, Inc, Redmond, WA; Neoterik Health Technologies, Inc, Woodsboro, MD; Network Concepts Inc, Middleton, WI; Neurocom International, Inc, Clackamas, OR; Neuromedical Systems, Inc, Suffern, NY; Neuroscientific Corp, Penndel, PA; Neurotron, Inc, Lawrenceville, NJ; New York Blood Center, Inc, New York, NY; New Product Development, Inc, East Syracuse, NY; Newmed Corp, Richardson, TX; Nexair, LLC, Memphis, TN; Nexell Therapeutics, Inc, Irvine, CA; Nichimen Europe Plc, Duesseldorf, Germany.

Nichiryo Co Ltd, Tokyo, Japan; Nichols Institute Diagnostics, San Juan, CA; Nicolet Vascular Inc, Golden, CO; Nidek Inc, Fremont, CA; Nihome Seimitsu Sokki, Gunma-Ken, Japan; Nihon Kohden Corp, Tokyo, Japan; Nihon Comac Co Ltd, Matsumoto City, Japan; Nihon Kohden, Irvine, CA; Nipro Company Ltd Research & Overseas Dept, Tokyo, Japan; Noise Cancellation Technologies Inc, Linthicum, MD; Nomos Corp, Lake Worth, FL; Norland Corp, Fort Atkinson, WI; Northeast Monitoring Inc, Sudbury, MA; Northrop Gruman Corp, Pico Rivera, CA; Norwood Coated Products, Frazer, PA.

Nova Biomedical Corp, Waltham, MA; Nova Technologies Inc, Hauppauge, NY; Novamed Ltd, Jerusalem, Israel; NTL Associates Inc, East Brunswick, NJ; Nubenco Enterprises, Inc, Paramus, NJ; Nuccardiac

Software Inc, Yorba Linda, CA; Nuclin Diagnostics Inc, Northbrook, IL; Nxlink Ltd, Richland, WA; O-Two Systems, Mississaugu Ontario, Canada; Occupational Marketing Inc, Houston, TX; Ocenco Inc, Kenosha, WI; Ocular Research Associates Inc, Coconut Creek, FL; Oculus Optikgerate Gmbh, Wetzlar, Germany; Odam, Wissembourg, France.

Oec Medical Systems Inc, Salt Lake City, UT; Oem Systems Co Ltd, Uji-Shi, Japan; Ohlendorf Research Inc, Ottawa, IL; Olympic Controls Corp, Elgin, IL; Olympus America Inc, Melville, NY; Omega Medical Imaging Inc, Sanford, IL; Omron Dalian Co Ltd, Dalian, China; Oncor Inc, Gaithersburg, MD; Opthalmed Inc, San Marcos, CA; Optical Technology Devices Inc, Elmsford, NY; Optima Inc, Tokyo, Japan; Optimed Technologies Inc, Livingston, NJ; Optometrics USA Inc, Ayer, MA; Orbit Inc, Oak Ridge, TN; Organon Teknika Corp, Durham, NC; Organtec, Mainz, Germany.

Orion Diagnostica (Orion Corporation), Espoo, Finland; Orion Research Inc, Beverly, MA; Ortho-Clinical Diagnostics, Inc, Rochester, NY; Ortho-Clinical Diagnostics, Inc, Raritan, NJ; Ortivus Ab, Taby, Sweden; Osim (USA) Inc, Bellevue, WA; Ostemeter Meditech A/S, Horsholm, Denmark; Otago Corp, Ipoh, Malaysia; Oxarc Inc, Pasco, WA; Oxford Medical Inc, Largo, FL; Oxigraf Inc, Mountain View, CA; Oxis International Inc, Portland, OR; Oxygen Therapy Institute, Livonia, MI; Pace Tech Inc., Clearwater, FL, Pacific Pharmaceuticals Inc, San Diego, CA; Packard Bioscience Co, Downers Grove, IL; Pantex—Div Bio-Analysis Inc, Santa Monica, CA; Park Surgical Co, Brooklyn, NY.

Park Medical Systems Inc, Lachine Quebec, Canada; Parks Medical Electronics Inc, Aloha, OR; Parsons Airgras, San Diego, CA; Particle Data, Inc, Elmhurst, IL; Pasadena Scientific Industries, Pasadena, MD; Paterson Scientific Inc, Paterson, NJ; Payton Associates Inc, Buffalo, NY; PDX Technologies, Westlake Village, CA; Peb Associates, Seargeantsville, NJ; Pemco Inc, Independence, OH; Perimed Inc, Smithtown, NY; Perimed Ab, Jarfalla, Sweden; Perimmune Inc, Rockville, MD; Perkens Electronics Co, Dallas, TX; Perstorp Analytical, Wilsonville, OR; Peter W Seeh Medical, Tuttlingen, Germany.

Pett Electronics Inc, Webster Groves, MO; Phamatech, San Diego, CA; Pharmacia & UpJohn, Kalamazoo, MI; Philips Lighting Co, Somerset, NJ; Philips Medizin Systeme, Hamburg, Germany; Phoenix Biomedical Corp, Norristown, PA; Phycon Medical Sciences, Inc, Tampa, FL; Physio Systems, Inc, Newark, CA; Physio-Dyne Instrument Corp, Farmingdale, NY; Pi Medical, Athens, TN; Pie Medical Equipment BV, Maastricht, Netherlands; Planet Products Corp, Madison, WI; PML Microbiologicals, Wilsonville, OR; Point Plastics, Inc, Petaluma, CA.

Pointe Scientific, Inc, Lincoln Park, MI; Polar Cryogenics, Inc, Portland, OR; PolHiTech SRL, Carsoli, Italy; Poly Scientific Research & Development Corp, Bayshore, NY; Portable Medical Laboratories, Inc, Solana Beach, CA; Positron Corp, Houston, TX; Pratt Medical, Inc, Olathe, CO; Praxair Inc, Middleburg Heights, OH; Praxair Distribution, Middleburgh Heights, OH; Praxair Distribution Southeast Llc, Middleburg Heights, OH; Precise Optics, Bay Shore, NY; Precision Systems, Inc, Natick, MA; Prentke Romich Co, Wooster, OH; Prime Ideas, Inc, Willmar, MN; Princeton Biomeditech Corp, Princeton, NJ.

Priority Healthcare Corp, Altamonte Springs, FL; Prism Microsystems, Ltd, Borehamwood, United Kingdom; Procedure Products, Inc, Vancouver, WA; Progetti SRL, Torino, Italy; Propper Mfg Co, Inc, Long Island City, NY; Protel USA, LLC, Wyckoff, NJ; Prucka Engineering, Inc, Houston, TX; Przybyla and Associates, Inc, Tomball, TX; Pt Dharma Medipro, Tangerang, Indonesia; Pulmonary Data Services Inst, Inc. Louisville CO; Pulmonox Research & Development, Tofield, Canada; Pulse Metric, Inc, San Diego, CA; Pulse Biomedical, Inc, Norristown, PA.

Pulse Metric Taiwan, Inc, Taipei, China; Pulse Scientific, Inc, Burlington, Canada; Puritan Bennett Corp, Minneapolis, MN; Puritan Bennett Corp, Carlsbad, CA; Puritan Bennett Corp, Lenexa, KS; Pyramid Biological Corp, Van Nuys, CA; QRS Diagnostic, LLC, Plymouth, MN; Qualis, Inc, Des Moines, IA; Quantimetrix, Redondo Beach, CA; Quantum Life Systems, Inc, Great Meadows, NJ; Quidel Corp, San Diego, CA; Quinton Electrophysiology Corp, Richmond Hill, Canada.

Quinton Instrument Co, Bothell, WA; R & F Imaging Systems, Inc, Smyrna, GA; R2 Diagnostics, Inc, South Bend, IN; RadSource, Inc, Coral Springs, FL; Radiation Oncology Computer Systems, Carlsbad, CA; Radiographic Equipment Services, Inc, Riverside, CA; Radiological Specialists, Inc, Van Nuys, CA; Randwal Instrument Co, Inc, Southbridge, MA; Rapid-Aid Ltd, Oakville, Canada; Raymax of Canada, Brampton, Canada; Reflex Industries, Inc, San Diego, CA; Reid & Priest, LLP, New York, NY; Remco Italia, South Pedrino Di Vignate, Italy.

Remedpar, Inc, Goodlettsville, TN; Republic Drug Co, Inc, Buffalo, NY; Research Consultants, Inc, Waco, TX; Respiratory Support Products, Inc, Irvine, CA; Rhomicron Electronica Medica, Buenos Aires, Argentina; Ricca Chemical Co, Arlington, TX; Riverside Corporation, Tokyo, Japan; RJ Harvey Instrument Corp, Hillsdale, NJ; RMC, Tucson, AZ; Roche Diagnostics, Somerville, NJ; Roche Diagnostic Systems, Inc, Somerville, NJ; Rocky Mountain Reagents, Inc, Denver, CO; Rodenstock USA, Inc, Danbury, CT; Roman Vladimirsky, Los Angeles, CA; Rossmax Intl, Ltd, Taipei, China.

Rova Co, Inc, Newbury, OH, Rowley Biochemical Institute, Inc, Danvers, MA; RT Technical Services, Burleson, TX; Rusch, Inc, Duluth, GA; RW Johnson Pharmaceutical, Research Inst, Raritan; S & W Medico Teknik, Aabybro, Denmark; S & M Instrument Co, Doylestown, PA; Sable Industries, Oceanside, CA; Sag Harbor Industries, Inc, Sag Harbor, NY; Saleem Surgico, Sialkot, Pakistan; Samsung-Ge Medical Systems Co, Sungnam-Shi, Korea; San Diego Biotech, San Diego, CA; Sandare International Inc, Cedar Hill, TX; Sanfan Plastic & Rubber Co, Ltd, Chengdu, China.

Sanko Junyaku Co, Ltd, Tokyo, Japan; Sanofi Diagnostics Pasteur, Redmond, WA; Sanofi Diagnostics Pasteur, Marnes-La-Coquette, France; Sanwa Kagaku Kenkyusho, Nagoya, Japan; Sarstedt, Inc, Newton, NC; Sasco, Inc, Charlotte, NC; Sato Light Industry Co, Ltd, Agei-Gun, Japan; Scan Medical, Ltd, Middlesex, United Kingdom; Scanco, Inc, Ithaca, NY; Scanditronix Medical AB, Uppsala, Sweden; Scantibodies Laboratory, Inc, Santee, Ca; SCC, Inc, Hawthorne, CA; Schiapparelli Biosystems, Inc, Fairfield, NJ; Schick Technologies, Inc, Long Island, NY.

Schiff & Co, West Calwell, NJ; Schiller AG, Baar, Switzerland; Schinkoeth Equipamentos Medico-Hospitalares LTDA, Nucleo Bandeirante, Brazil; Schoch Electronics, Regensdorf, Switzerland, Scintillation Technologies Corp, Knoxville, TN; Scribner Browne, Inc, Boulder, CO; Seac SRL, Calenzano, Italy; Sealite Sciences, Inc, Norcross, GA; Sechrist Industries, Inc, Anaheim, CA; See Sea Development, Inc, Seminole, FL; Seiko Instruments, Inc, Chiba-Shi, Japan; Sela Electronic, Inc, New York, NY; Senior Technologies, Inc, Lincoln, NE; Sens-O-Tech Industries, Inc, Tinton Falls, NJ.

Sensor Devices, Inc, Waukesha, WI; Sensormedics Corp, Yorba Linda, CA; Seracare Technology, Austin, TX; Serbio, Gennevilliers, France; Settler Medical Electronics Inc, Winnipeg, Canada; Seward, Ltd, Thetford, United Kingdom; Shandon, Inc, Pittsburgh, PA; Shanghai Medifriend Medical Products, Shanghai, China; Shanghai Joe's Automatic Devices, Inc, Shanghai, China; Shantou Institute of Ultrasonic Instruments, Shantou, China; Shared Systems, Inc, Martinez, GA; Sharper Image Corp, Little Rock, AR; Sharplan Lasers, Inc, Allendale, NJ; Sherwood Medical Co, Hazelwood, MO.

Sherwood Medical Co, Bothell, WA; Shield Diagnostics, Ltd, Dundee, United Kingdom; Siemens Medical Systems, Inc, Concord, CA; Siemens Medical Systems, Inc, Hoffman Estates, IL; Siemens Medical Systems, Issaquah, WA; Siemens Medical Systems, Danvers, MA; Siemens Medical Corp, Iselin, NJ; Sigma Chemical Co, St Louis, MO; Sigma Laboratory Centrifuges, Osterode, Germany; Sigma Diagnostics, Inc, St Louis, MO; Simonsen Medical A/S, Randers, Denmark; Sims Graseby Ltd, Watford, United Kingdom; Sims Portex Ltd, Kent, United Kingdom.

Sims Pneu Pac, Ltd, Luton, United Kingdom; Sinmed BV, Reeuwijk, Netherlands; Sita Associates, Flossmoor, IL; Sitco, Inc, Arlington Heights, IL; Skatron, Inc, Sterling, VA; Sleepnet Corporation, Manchester, NH; SLP, Ltd, Tel-Aviv, Israel; Smithkline Diagnostics, Inc, Sharon Hill, PA; SMV America, Twinsburg, OH; Snap Laboratories, LLC, Glenview, IL; Snijders Analysers BV, Tilburg, Netherlands; So-Cal Airgas, Lakewood, CA; Soft Computer Consultants, Palm Harbor, FL; Solomon Technology Corp, Chandler, AZ; Somanetics Corp, Troy, MI; Somatronix Research Corp, Granby, CT.

Sonar Hearing Health, Eagan, MN; Sono Diagnostics, Inc, Pinellas Park, FL; Sonogage, Inc, Cleveland, OH; Sonosight, Inc, Bothell, WA; Sorba Medical Systems, Inc, Brookfield, WI; Spectronic Instruments, Inc, Rochester, NY; Spirometrics Medical Equipment Co, Auburn, ME; SRD Shorashim Medical, Ltd, DN Misgav, Israel; Stanbio Laboratory, Inc, San Antonio, TX; Standard Scientific, Inc, Hebron, KY; Starkey Laboratories, Inc, Eden Prairie, MN; Statcorp, Inc, Jacksonville, FL; STC Technologies, Inc, Bethlehem, PA; Stemcell Technologies, Inc, Vancouver, Canada.

Stephenson Industries, Inc, Point Pleasant, NJ; Steritek, Inc, Moonachie, NJ; Sterne Manufacturing, Brampton, Canada; St Jude Medical Cardiac Rhythm Management Division, Sylmar, CA; Storch, Amini, & Munves, New York, NY; Stratec Elektronik, Birkenfeld, Germany; Strategic Diagnostics, Inc, Newark, DE; Summit Medical Inc, Palm Harbor, FL; Sun Nuclear Corporation, Melbourne, FL; Sun Biomedical Laboratories, Inc, Blackwood, NJ; Sunquest Information Systems, Inc, Tucson, AZ; Suntex Instruments Co, Ltd, Taipei, China; Superkit Intl, Inc, Miami, FL.

Surgical Navigation Technologies, Broomfield, CO; Surgical Technologies, Inc, Salt Lake City, UT; Surgical Instrument Co of America, Ridgefield, NJ; Surgicon, Ltd, Sialkot, Pakistan; Suzuken Co, Ltd, Hagoya-Higashi, Japan; Swelab Instrument, Stockholm, Sweden; Swemed Lab Intl, Billdal, Sweden; Sybron Intl Corp, Milwaukee, WI; Syntron Bioresearch, Inc, Carlsbad, CA; Sysmex Corp, Long Grove, IL; Systec Computer Associates, Inc, Mount Sinai, NY; Tanabe USA, Inc, San Diego, CA; Tasteful Corporation, Taipei, China; Technical Chemicals & Products, Inc, Ft Lauderdale, FL; Teco Diagnostics, Anaheim, CA; Teco Medical Instruments, Ergoldsbach, Germany.

Telediagnostic Systems, Inc, San Francisco, CA; Telex Communications, Inc, Minneapolis, MN; Terumo Medical Corp, Elkton, MD; Texas Immunology, Inc, Tyler, TX; Texas Intl Laboratories, Inc, Houston, TX; Texas Medical Electronics Co, Houston, TX; The Lahr Consulting Group, Inc, Mahwah, NJ; The Kohl Group, Scottsdale, AZ; The Anson Group, LLC, Indianapolis, IN; The Soule Company, Inc, Tampa, FL; The Perkin-Elmer Corp, Norwalk, CT; Theranol Deglaude Laboratories, Bagneux, France; Theratronics Intl, Ltd, Kanata, Canada; Thermo Separation Products, San Jose, CA.

Timm Research Co, Eden Prairie, MN; Tiyoda Mfg USA, Inc, Torrance, CA; TM Analytic, Inc, Brandon, FL; Toitu of America, Inc, Wayne, PA; Tomtec Imaging Systems, Unterschleissheim, Germany; Top Corp, Tokyo, Japan; Toray Marketing & Sales, Inc, Houston, TX; Toshiba Corp Medical Engineering Center, Otawara-Shi, Japan; Toshiba Corporation, Tochigi-Ken, Japan; Tosoh Medics, Inc, Foster City, CA; Touritu Engineering Co, Inc, Suzuka, Japan; Toys For Special Children, Inc, Hastings on Hudson, NY; Trac Medical, Inc, Raleigh, NC; Trace America, Inc, Miami, FL.

Translite, Sugarland, TX; Tri-Gas, Inc, Irving, TX; Tri-Continent Scientific, Inc, Grass Valley, CA; Trinity Biotech, Dublin, Ireland; Trionix Research Laboratory, Inc, Twinsburg, OH; Tubemaster, Inc, Grand Prairie, TX; U-Med Industrial, Inc, Tokyo, Japan; UGM Medical Systems, Inc, Philadelphia, PA; Ulster Scientific, Inc, New Paltz, NY; Ultravoice, Ltd, Berwyn, PA; UMA, Inc, Dayton, VA; UMM Electronics, Inc, Indianapolis, IN; Unipath, Ltd, Bedford, United Kingdom; United Biotech, Inc, Mountain View, CA; Universal Medical Systems, Inc, Clearwater, FL; Universal Medical Systems, Inc, Bedford Hills, NY.

Unotech Diagnostics, Inc, San Leandro, CA; UO Equipment Co, Houston, TX; Urometrics, Inc, St Paul, MN; US Endoscopy Group, Inc, Mentor, OH; US Filter/Ionpure, Inc, Lowell, MA; US Filter, St Louis Park, MN; US Filter Continental Water Systems, El Paso, TX; US Summit Co, New York, NY; USA Instruments, Inc, Aurora, OH; Validyne Engineering Sales Corp, Northridge, CA; Valmed, Inc, Northboro, MA; Varian Interay, North Charleston, SC; Varian-Tem Ltd, Crawley, United Kingdom; Varian-Arlington Heights, Arlington Heights, IL.

Varian Chromatography Systems, Walnut Creek, CA; Vasculab Medizintechnik, Poel Island, Germany; Versamed, Ltd, Tel-Aviv, Israel; VF-Works, Inc, Palm Harbor, FL; Victor Equipment Co, Denton, TX; Vidamed, Inc, Fremont, CA; Viran Clinical Diagnostics, Inc, Stevensville, MI; Virtual Corp, Portland, OR; Vision Instruments, Ltd, Melbourne, Australia, Visionics Corp, Minneapolis, MN; Vitalcom, Inc, Tustin, CA; Vitalcor, Inc, Westmont, IL; Vitalograph, Inc, Lenexa, KS; VNA Systems, Inc, Atlanta, GA; VSI Radiology, San Diego, CA; Vulcon Technologies, Grandview, MO.

Vygon Corp, East Rutherford, NJ; Wako Chemicals, USA, Inc, Richmond, VA; Wallac, Inc, Akron, OH; Walter Kidde Portable Equipment, Inc, Mebane, NC; Ware Medics Glass Works, Inc, Haverstraw, NY; Warren D. Novak Enterprises, Inc, Chappaqua, NY; Water Solution Technologies, Carlsbad, CA; Wellhofer North America, LLC, Bartlett, TN; Wenzhou Ouhai Medical Instruments Factory, Wenzhou, China; Werner Fischer, Fridingen, Germany; Western Star, Inc, Lake Oswego, OR; Whale Scientific, Inc, Commerce City, CO; Whitmore Enterprises, Inc, San Antonio, TX.

Wien Laboratories, Inc, Succasunna, NJ; Wiener Laboratories, Rosario, Argentina; William E. King, Waukegan, IL; Williams Sound Corp, Eden Prairie, MN; Willie Krawitz, Orange, CA; Wilson Sonsini Goodrich and Rosati, Palo Alto, CA; Winfield Medical, San Diego, CA; Winmed Instruments Mfg. Corp, Taipei, China; Wipro Ge Medical Systems Ltd, Bangalore, India; Wisconsin Pharmacal Co, Jackson, WI; Witt Biomedical Corp, Melbourne, FL; WL Gore & Associates, Inc, Phoenix, AZ; World Wide Plastics, Inc, Trevose, PA; Wuzi Haiying-Cal Tec Electronic Equipment Co., Wuxi, China.

Wyndgate Technologies, Rancho Cordova, CA; Wyrick, Robbins, Yates & Ponton, Raleigh, NC; X R E Corp, Littleton, MA; X-Cel X-Ray Corp, Cystal, Lake, IL; Xenos Medical Systems, Inc, New Canaan, CT; Xerox Adaptive Technologies, Peabody, MA; Xingtai Plastic Medical Apparatus Factory, Xing-Tai, China; Xitron Technologies, Inc, San Diego, CA; Xtec, Inc, Columbia City, IN; Yorke Enterprises, Ltd, Mitcham, United Kingdom; Young Dental Mfg. Co, Brownsville, TX; Ysi, Inc, Yellow Springs, OH; Yukosha Co, Inc, Tokyo, Japan.

Z-Tech, Inc, Charleston, SC; Zaxis Inc, Hudson, OH; Zee Medical, Inc, Irvine, CA; Zenex Corp, Elk Grove Village, IL; Zertl Medical, Inc, Pennington, NJ; Zetek, Inc, Aurora, CO; Zeus Scientific, Inc, Branchburg, NJ; Zewa, Hergiswil, Switzerland; Zimmer Elektromedizin Corp, Irvine, CA.

The PRESIDING OFFICER. The Senator from North Dakota.

INTERNET LEGISLATION AND THE RIGHT TO ADDRESS KEY ISSUES

Mr. DORGAN. Mr. President, going back to the previous discussion on the Internet tax issue that the Senator from Arizona raised, I want to make a comment about both the objection raised by the minority leader, Senator DASCHLE, as well as the bill itself.

The bill started out being a very controversial piece of legislation. There was great disagreement on exactly whether and how to proceed on this issue. But I must say, the Senator from Oregon, the Senator from Arizona, and others have worked with a number of us who have had reservations and concerns about the bill. I think we have made a substantial amount of progress. I expect at some point it will get to the floor of the Senate here, and I will hope to be helpful on a compromise that I think does the right thing.

I always said if the proposition is, let us not apply punitive taxes to the Internet, I am for that. I am for a prohibition against punitive taxes on the Internet. But the way it was described initially, I have a lot of concerns about that. There have been a lot of changes made on this bill and I think the changes made a lot of progress. I compliment the Senator from Arizona and the Senator from Oregon as we continue to discuss this. But I did want to mention one additional point.

The Senator from South Dakota, Senator DASCHLE, was constrained to object. I know the Senator from Arizona understands well the concerns. It is not just about the issue of the Patients' Bill of Rights. We must also find a way to address this agricultural crisis in a satisfactory manner. If we do not, about 20 percent of the family farmers in North Dakota will not be in the field next spring. It is a devastating circumstance in the farm belt.

So the Senator from South Dakota was saying we need somehow to protect our rights to address these key issues. I know the Senator from Arizona acknowledged that he understood that. I just wanted to point out, again, it is not anybody's intention to provide roadblocks. What we want to try to do is see if we can find avenues to address significant and real issues.

Yes, the Internet bill will get here and I think get done at some point. But we need to protect the rights, as legislation brought is to the floor, to deal with the Patients' Bill of Rights and to deal with the agricultural crisis which is potentially so devastating to the farm belt in this country.

I wanted to make that point clear to reinforce the comments made by Senator DASCHLE earlier.

I yield the floor. I know the Senator from Oregon wishes to be recognized.

Mr. WYDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I will be brief. First, I thank the Senator from North Dakota for all the work he has done over the last few months on the Internet tax freedom bill. We are going to get there to no small degree because the Senator from North Dakota has worked so closely with us. I thank him for it.

In the last few minutes, we have talked about two extremely important subjects: the question of a Patients' Bill of Rights and the Internet tax freedom bill. Both of these bills are extremely important to me. In fact, shortly after I came to the U.S. Senate in 1996, I offered one of the key provisions in the Patients' Bill of Rights with Senator KENNEDY. It was legislation to ban these gag clauses, these ridiculous provisions in managed care agreements that literally keep physicians from telling their patients about all their health care options. These gag clauses are unconscionable. We received over 50 votes the first time we brought it to the floor of the U.S. Senate, at a time when people knew very little about the subject. I feel very strongly about the Patients' Bill of Rights and, hopefully, we can get an agreement, and I do think we can get an agreement that is bipartisan.

I also want to say, Mr. President, how strongly I feel about passing the Internet tax freedom legislation as well. It is time for the U.S. Senate to begin to write the rules for the digital economy. The Internet is clearly going to be the business infrastructure in the 21st century. Usage is doubling every 60 days, or thereabouts, and it is clear we don't have any ground rules to address the critical issues that involve electronic commerce.

If somebody in Iowa, for example, wants to order fruit from Harry and David's in Medford, OR, ship it to their cousin in Florida, pay for it with a bank card in New York and do it

through America Online in Virginia, what are going to be the ground rules with respect to taxes?

What the Internet cannot afford is the development of a crazy quilt of discriminatory taxes with respect to this burgeoning area of our economy. That is why it is so important that the Senate move on this legislation.

I will close by saying a word about the manager of the legislation, the Senator from Arizona. Throughout these many months, the chairman of the Commerce Committee, the Senator from Arizona, and his staff have worked very closely with me and have worked very closely with a host of Members of the U.S. Senate. There have been more than 30 separate changes made in the Internet tax freedom bill from the time it was originally introduced on a bipartisan basis.

I want it understood that a bipartisan effort under the leadership of Chairman MCCAIN has been made for many, many months now, involving Senator STEVENS originally, with respect to the Universal Service Fund. Senator DORGAN has had a variety of issues with respect to treatment of the States. Senator BUMPERS has had enormous contributions and questions that we felt had to be addressed, as well as Senators GREGG and ENZI.

I am very hopeful that very shortly this week this legislation is going to be brought to the floor of the U.S. Senate, and I am very hopeful that it can be brought to the floor in a way that will also allow for the important Patients' Bill of Rights legislation to go forward.

I have spent a considerable amount of my time since coming to the U.S. Senate on both of these issues, working on both of them in a bipartisan fashion. I think both of them are now ready for consideration on the floor of the Senate.

I see the chairman of the Commerce Committee is here now and has another important bill to bring up. I will close by, again, expressing my appreciation to him for all the time that he has put in to try to get the Internet tax freedom legislation specifically before the Senate. I believe we are ready now, and certainly those Senators who have brought amendments to the chairman and myself have a right to be heard and they should be heard.

I believe we are ready for an agreement that will protect the rights of every Member of the U.S. Senate and, at the same time, allow the Senate to go forward and take the first steps—it is going to be a long journey—it is time to take the first steps to writing some of the essential rules for the digital economy, the Internet, which is going to so dominate our lives in the next century.

Mr. President, I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I say to my friend from Oregon, he is too kind in his remarks. The fact is that this legislation was originated by the Senator from Oregon. I have been glad to assist and help in that effort. He has done the heavy lifting. I appreciate his kind remarks.

I assure him that in discussions with the Democratic leader, with Senator DORGAN and others, I am confident that we will get this bill up and done in the next few days. I thank him for all of his efforts.

The Senator from North Dakota mentioned the difficulties in North Dakota. North Dakota has gotten more than its share of natural disasters this year, including one man-made in the form of an airline strike that was very damaging to the economy of his State. I certainly believe that all of us are in sympathy with the agriculture crisis in America.

Mr. President, I have been awaiting the presence of Senator FORD, who is going to manage on the other side. I am a bit reluctant to move forward, so I ask unanimous consent to proceed as in morning business for 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE SITUATION IN KOSOVO

Mr. MCCAIN. Mr. President, in the already strife-torn region of the former Yugoslavia, the new year of 1998 was initiated with a new declaration of war. A then-small group of pro-independence rebels calling themselves the Kosovo Liberation Army announced its intention to fight for the independence of the Kosovo region of what remains of Yugoslavia. With the wounds from Bosnia still festering and U.S. and allied troops seemingly locked-into an intractable peacekeeping operation with no end in sight, Europe and the United States once again found themselves with a serious dilemma involving life and death decisions. The subsequent nine months of conflict in the Albanian majority province of Serbia have illuminated the degree to which the enlightened nations of the West continue to wrestle with the most fundamental tenets of conflict prevention and resolution. The results are not impressive.

We have not lacked for rhetoric, but we have proven woefully inadequate at backing up our words with resolute action. Relatively early in the conflict, but long after the gravity of the situation was apparent, Secretary of State Albright warned that Serbia would ''pay a price'' for its characteristically scorched-earth military campaign against the KLA and its ethnic Albanian supporters. ''We are not going to stand by and watch . . .,'' she declared, while ''. . . Serbian authorities do in Kosovo what they can no longer get away with doing in Bosnia.''

During the June meeting in Luxembourg of the European Union foreign ministers, Britain's Foreign Secretary Robin Cook was quoted as stating, ''Modern Europe will not tolerate the full might of an army being used against civilian centers.'' A few days later, as reported by the Washington Post,

> Yugoslavia's reply to threats of NATO airstrikes could be heard for miles around. The nightly bombardment of border villages occupied by rebels of the Kosovo Liberation Army has unleashed a flood of tens of thousands of refugees. Caught in the cross-fire, they have seen their homes shelled, then torched by government forces in what other nations and international organizations have denounced as ''ethnic cleansing''.

The next day, NATO fighter jets streaked across Albanian skies in a show of force that was less than the sum of its parts. ''I'm very glad,'' one Albanian said, ''because it shows that [NATO is] for the liberation of Kosovo.'' In less time than it took our fighters to land at Aviano, though, U.S. and allied credibility had descended to new depths, and the victims of Serb aggression were once again lulled into a false sense of security. United States foreign policy in the Balkans has once again been shattered by the reality of a dictatorial regime adept at manipulating the anemic diplomatic process that resulted in tens of thousands of deaths in Bosnia and has now left Kosovo in ruins.

By conducting that aerial show of force back in June without following-through, and by repeatedly allowing the regime of Yugoslav President Slobodan Milosevic to employ his tactics from Bosnia of professing compliance with United Nations demands one day only to return to his policy of ethnic cleansing the next, the United Nations has failed to accomplish the overriding goal for which it was created: the resolution of conflict so that the crimes of the past would not be repeated in the future. Mr. President, the scale of human tragedy before us cries out for a European response that it has heretofore been unwilling to countenance.

There is no question that Russian and Chinese opposition to Security Council resolutions authorizing the use of force to compel Serb compliance has been a serious, and tragic, obstacle to the kind of resolute response circumstances demand. It is also inarguably difficult to castigate the United Nations while simultaneously insisting that United States and NATO policy should not be subordinate to the dictates of the U.N. with regard to a conflict so central to European stability. As is often the case in international relations these days, we do not enjoy the luxury of the level of clarity prevalent during the Cold War when Europe was firmly and evenly divided between competing centers of power.

Europe must take responsibility for the security of the Balkins. The United States cannot and should not be vested with responsibility for maintaining security in the Balkins in perpetuity. Putting aside for a moment the utter inability of the current Administration to articulate and implement a sound policy with regard to Kosovo, both the

United States and Europe must come to terms once and for all with the central imperative of supporting diplomacy with force.

Right now, the Serbs are conducting a major offensive against the remnants of the KLA. In fact, this latest offensive cannot truthfully be characterized as counterinsurgency in nature; the cold, hard fact is, as with Bosnia before it, the Serb nation is carrying out the very type of brutal, inhumane ethnic cleansing for which it was universally criticized prior to the Dayton Accords. As with Bosnia, a strong, meaningful—and I emphasize ''meaningful''—employment of military power against Serb military forces and associated infrastructure at the outset could have prevented the scale of devastation that has subsequently transpired. Will Europe learn? If history is a guide, the lessons for other peoples subject to domination by stronger neighbors are not positive.

Our former majority leader, Bob Dole, upon returning from Kosovo, stated that ''American and European leaders have pledged not to allow the crimes against humanity which we witnessed in Bosnia to occur in Kosovo. But from what I have seen, such crimes are already happening.''

Mr. President, prominently displayed in the United Nations building in New York is Picasso's famous and haunting ''Guernica.'' That painting symbolized for the artist the carnage, the human suffering on an enormous scale, that resulted from the Spanish Civil War—a prelude to the Second World War. Perhaps it is too abstract for those countries in the United Nations that oppose the use of force to stop the atrocities that have come to symbolize the former Yugoslavia, or that believe the war in Kosovo is the internal business of Serbia. A few minutes away from here is a reminder of what happens when Edmund Burke's adage that ''all that is necessary for the triumph of evil is for good men to do nothing'' is ignored.

Ethnic cleansing is not an abstract concept in the Holocaust Memorial Museum. Technology has advanced to wondrous degrees during this century, but the basic nature of man remains the same. He is capable of great good; he is just as equally capable of the kind of actions that have made places like Auschwitz, Cambodia, Rwanda, Srebrenica, the Gulag Archipelego, and Nanking synonymous with sorrow. To this list, will we have to add Kosovo? The situation is clearly not at that stage, but the onset of winter could change that very quickly, with implications that I don't want my small children to have to read about in their history books with shame.

The Europeans have never been very adept at maintaining peace within and between their boundaries. It is instructive that the longest single period of peace the continent has experienced was during the Cold War when the United States stationed over 300,000 troops there. That troop strength has since been reduced by two-thirds, and the stabilizing aspects of the bipolar structure are gone. The turbulence of the post-Cold War world demands a level of competence on the part of those entrusted with our national security and foreign policy that is sadly lacking. The history of the conflicts in Bosnia and Kosovo are histories of threats not carried out and of the strong being outmaneuvered by the weaker. This Administration's conduct of diplomacy with regard to Serbia, North Korea and Iraq is somewhat akin to what would happen if Thucydides' Melian Dialogue were reversed, and the weak were dictating terms to the strong.

But the stakes here are real. The situation in Kosovo is potentially more dangerous than was the case in Bosnia. The KLA's professed long-term goal of uniting the Albanian populations of Kosovo, Macedonia and Albania into a greater Albania cannot be ignored. The conduct of Serbia's campaign against the insurgents similarly holds the potential for spreading beyond the confines of that beleaguered province. We cannot afford the level of diplomatic ineptitude that has been prevalent with regard to the former Yugoslavia since 1992.

The United Nations' stagnation as an instrument of conflict resolution during the Cold War was, to an extent, understandable. Its failure in the Balkans, however, is a very bad omen indeed for its ability to perform its most essential core task. The Clinton Administration's inability to comprehend the limitations of that body—the U.N. is, after all, comprised of nations and not of ideals—do not augur well for the protection of United States security interests abroad. NATO, meanwhile, continues its contingency planning with a range of military options, but anything less than truly decisive force that makes the regime in Belgrade fear for its survival will leave us with a battle yet to be fought, just as it has in Iraq. A token number of cruise missiles will cost a lot of money, but will not accomplish our goals. Missing is a strategy for ending the conflict, vice compelling President Milosevic to agree to talk about negotiations. The employment of military force must be sufficient to destroy the internal power structure that sustains those prosecuting crimes against humanity. In short, NATO must either be prepared to do what militaries are trained to do, prevail, or it will reap limited gains of short duration.

Mr. President, people are dying. Prevarication, the modus operandi of this administration when decisive actions are required, carries a price in lives. The world will look to this body for a glimpse of the level of U.S. resolve, seeing little in the White House. That is a burden we must face with the grace and dignity and moral fortitude that comes from representing the citizens of the greatest country in history. It is a burden that carries with it implications that none should take lightly. Not just in Kosovo but elsewhere where our interests are threatened, the world must know that the United States will stand firm and will not follow the path that leads to the inclusion of more places in the list of sorrow.

Mr. President, last night I was at a function here in Washington. All of us who are Members of the Senate attend many functions, many of them nightly. This was kind of a special evening, at least for many of us, and that is because we honored Senator Bob Dole, our former majority leader of the Senate and former nominee of our party for President of the United States.

Bob Dole gave a moving, persuasive and compelling speech, probably the likes of which I have never heard him give in the many years I have been a friend and a compatriot of Senator Dole.

This speech that he gave last night, Mr. President, was so strong and so compelling that I ask unanimous consent that it, along with my introduction, be printed in the RECORD.

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

REMARKS BY SENATOR JOHN MCCAIN AWARDING THE IRI 1998 FREEDOM AWARD TO SENATOR ROBERT DOLE, SEPTEMBER 22, 1998

If you will permit me, I would now like to talk a little bit about some other attributes of Senator Dole's character. It is my privilege tonight to present the 1998 Freedom Award to Bob, and to make a few, brief remarks explaining why the IRI Board of Directors was pleased to recognize with this award Bob's contribution to the American cause—the cause of freedom.

I am at a little disadvantage, however. Two years ago, when Bob honored me by asking me to place his name in nomination at the Republican Convention in San Diego, I tried as best I could to state succinctly why I admire Bob so much, and why I thought he would make a great president. I fear that there is little I can offer tonight that would be a truer expression of my regard for Bob than the thoughts I offered in that speech. So I thought I would begin by doing what most politicians love to do: and that is, by quoting myself.

I wanted to open my speech in San Diego with a statement that would encompass all the reasons I believe Bob Dole to be such an honorable man; what it was that so distinguished Bob that I thought him worthy to hold the highest office in the land. After considerable thought on the matter, I came up with a description of Bob's character that could also serve as a pretty good definition of patriotism. It reads as follows:

''In America we celebrate the virtues of the quiet hero; the modest man who does his duty without complaint or expectation of praise; the man who listens closely for the call of his country, and when she calls, he answers without reservation, not for fame or reward, but for love. He loves his country.''

Today, no less than two years ago, Bob Dole and patriotism are synonymous to me. He loves his country, and has served her faithfully and well all of his adult life. And though his country is honored by his service, he has asked nothing of his country in return save the opportunity to serve her further.

He loves his country's cause, and has since he took up arms many years ago to defend

American freedom, been a champion for the cause of freedom wherever it is opposed. He was and is an outspoken advocate for all those who are denied their God-given rights to life, liberty and the pursuit of happiness.

His was among the first voices to bring America's attention to the terrible assault on human life and dignity in Bosnia.

For many years, he has tried to alert the world to the persecution of ethnic Albanians in Kosovo. From the Balkans to Latin America, he has distinguished himself as an ardent defender of the rights of Man, as many people who have struggled courageously to claim those rights would attest.

He has done so, I believe, because he had cause in his life to appreciate how sacred are those rights, and how great are the sacrifices that are too often necessary to defend them.

''There is nothing good about war,'' Bob once wrote, ''for those who have known the horror of battle. Only causes can be good.'' And of his war, the Second World War, he wrote, ''millions of servicemen like myself found a cause to justify the greatest losses.''

They were losses that Lieutenant Bob Dole witnessed personally, suffered personally. But the experience did not embitter him, but only reaffirmed for him the nobility of the cause he served. And he has, since the day he lay wounded in a valley in Northern Italy, found his honor in service to that cause.

Speaking of America, Bob could have been speaking of himself when he said that in war, America ''found its mission. It was a mission unique in human history and uniquely American in its idealism: to influence without conquest and to hold democratic ideals in sacred trust while many people waited in captivity.''

The word ''duty'' was once as common to our political lexicon as the words ''soundbite'' and ''spin control'' are today. We don't hear it mentioned much anymore. Rarely do public office holders offer the pledge that we once expected of all public officials: to do their duty as God has given them light to see it.

Of course, we do have an abundance of pledges in politics today. At times, we seem to be practically drowning in them, and as another election approaches I'm sure we will hear them all more than once. But what we should hear more, what I believe every American wants to hear, is the most solemn promise of all—the promise to put the country's interest before our self-interest.

I think the American people are almost desperate to believe once again that their leaders conceive of their duty in no lesser terms than that: to put the country and its cause first, and to that end, to pledge, as our Founding Fathers once memorably pledged, our lives, our fortunes and our sacred honor.

Bob Dole always construed his duty in those terms, believing that to do otherwise would not only ill-serve his country, but shame him personally. Not once, in his long years of service, has Bob given this country any reason to doubt that he has always done his duty, that he has always put his country first.

Late in 1995, President Clinton decided to commit American troops to Bosnia in the hope that they might keep the peace while the principles of the Dayton Accords took root in that sad country. The decision was not overwhelmingly popular in Congress, even less so among many Republicans who worried that the mission was ill-defined, and the problem too distant from American interests to justify risking American lives. I must admit that I, too, harbored strong doubts, and still do about the mission.

Bob had his misgivings as well, although he believed strongly, devoutly, that rendering assistance to the victims of aggression and unspeakable human atrocities wherever they were suffering was always America's business. So, he resolved to support the President's decision, and win from the Senate he led an expression of our support as well. It was neither an easy task nor a universally popular one within our own caucus.

Bob's opponents for the Republican presidential nomination had already spoken out in opposition to the decision, and were beginning to put extraordinary pressure on Bob to do likewise.

Were he to win the nomination he would be running against the man whose controversial decision to put Americans into harm's way Bob had now resolved to defend. You will remember, at the time, most people expected our soldiers to suffer more than a few casualties. I suspect more than one of Bob's campaign consultants advised him to walk away from the issue; to let someone else assume the burden of supporting our troops. But Bob conceived his duty differently.

He is a good Republican, but he is an American first. He has personal ambitions, but they are secondary to his ideals and his ambitions for his country. The President had decided to send American soldiers to Bosnia, and so they would go. Bob Dole intended to stand with them. They would risk their lives for a just cause. Bob Dole would risk his ambitions for them.

It was a simple, and these days, all too rare act of patriotism from a public servant who cannot conceive of sacrificing his country's interests for personal gain.

I have never been prouder of any man than I was of Bob Dole on that day when he reminded me how great a love is love of country, and how richly God has blessed America to spare us leaders, when we need them most, of courage and conscience.

Bob Dole has, through all the vicissitudes and temptations of a long life in public service, stayed true to his mission, the mission he glimpsed in a long ago battle on a now tranquil field in Italy. He has done his duty, as God gave him light to see his duty. And he has been a credit to America and American ideals.

Bob's hero has always been another Kansan, Dwight David Eisenhower, and he took as the model of faithful, honorable service that exacting sense of duty that characterized Eisenhower's leadership in war and peace. In all the voluminous archives of President Eisenhower's papers, no single article expresses more perfectly his decency, his courage, and his sense of personal responsibility to America than does the statement he wrote on the night before the allied invasion of France.

Prayerful that the invasion would succeed, but prepared for it to fail, General Eisenhower sat down, alone, to write a statement that assigned the blame for the decision should D-Day prove the calamity many feared it would be. He assigned it to himself, and himself alone.

''Our landings in the Cherbourge-Havre area have failed to gain a satisfactory foothold and I have withdrawn the troops. My decision to attack at this time and place was based upon the best information available. The troops, the air and the Navy did all that bravery and devotion to duty could do. If any blame or fault attends to the attempt, it is mine alone.''

When, by the end of June 6, it became clear that the allied forces had, against daunting odds, accomplished most of their initial objectives, and the invasion had been a success, Eisenhower simply crumpled up the statement and threw it into a waste basket. His foresighted aide retrieved the paper and persuaded the General to preserve it for posterity so that Americans might someday benefit from his example of patriotism and principled leadership.

It is more than fitting, Bob, that IRI's 1998 Freedom Award include as a testament to your service, a rare copy of the original hand-written note by General Eisenhower provided to us by the Eisenhower Library in Atchison, Kansas. I take great pleasure in presenting it to you along with photograph of the General addressing his troops on the eve of D-Day, and a first edition copy of his personal account of the war, Crusade in Europe.

In addition, IRI is privileged to make a contribution in your name to the cause that is today so close to your heart, and which you serve as National Co-Chairman, the World War II Memorial Campaign. We offer this award to you with the knowledge that it is but a small expression of the esteem you are held in by IRI, everyone here tonight, and by the millions of people whose aspirations IRI was formed to support.

But the most important tribute we can offer you is to simply observe of those Americans who with you once sacrificed for something greater than their self-interest—those who came home with you to the country they loved so dearly, and those who rest forever in the European cemeteries—how proud they must be of you for having honored so well, in the many years since the guns fell silent in Europe, their faith and yours in the America of our hearts, the last, best hope of Earth.

SPEECH DELIVERED BY SENATOR BOB DOLE TO THE INTERNATIONAL REPUBLICAN INSTITUTE, SEPTEMBER 22, 1998

Senator McCain, Friends, Ladies and Gentlemen: It is a genuine honor to receive the Freedom Award from the International Republican Institute. It is an honor to be recognized by the IRI and also to be in the company of previous recipients, such as President Reagan and Colin Powell.

The IRI has made promoting freedom around the world its mission. In Latin America, Africa and Europe—in countries like Burma, Cambodia, Haiti, and Mexico. Bulgaria, Romania and Belarus, South Africa and Angola, the IRI has worked to promote freedom and in so doing, has made a real difference. Ask President Constantinescu how valuable IRI's training was. The proof was in the stunning 1996 election results that finally put Romania on the road to democracy.

IRI's mission is based on the recognition that there cannot be freedom without democracy, rule of law and free market economics. The IRI's job is to turn the legacy of communism and dictatorship into a future of liberty and prosperity. This is a monumentally important task.

I would like to commend the IRI staff and join in recognizing those staff that are here from Nicaragua, Romania and South Africa. The process of democratization is not an easy one—especially in countries like these which have a recent history of great strife, inequality and lack of liberty. Because of individuals like those recognized this evening and because of organizations like IRI, there is not only hope, but amazing progress—progress that would not have been imaginable two decades ago.

Tonight, I would like to take a few minutes to talk about a matter which I believe is of great importance to America—and of direct relevance to the critically important work of the IRI in fostering freedom. That is the situation in Kosovo.

Last Friday I met with President Clinton and National Security Adviser Berger to discuss this growing crisis. I told them what I witnessed and what I believed must be done. This is what I would like to share with you this evening.

There is a war going on right now in Kosovo because the United States, for nearly a decade, did not make liberty, democracy and free market economics the priority in the former Yugoslavia.

If the United States had made its priority in the former Yugoslavia democracy as opposed to unity, if the United States had promoted reform, instead of status quo, if the United States had isolated dictator Slobodan Milosevic, instead of embracing him, I believe we would not have seen three wars in the Balkans and would not now be witnessing the fourth—and perhaps the most dangerous conflict there since 1991.

Last week, I returned from a human rights and fact-finding mission to Kosovo with the very able Assistant Secretary John Shattuck. I was last in Kosovo in 1990, when the repression against the Kosovo Albanians had just begun. The Kosovars had been stripped of their political autonomy; the beginning of an apartheid-like system was just becoming apparent. Upon my return, I joined the few voices warning the US State Department, Pentagon and White House that war would come to Yugoslavia. And, it did. First Slovenia, then Croatia and not long after, Bosnia.

As terrible as the war in Bosnia proved to be, the war that both the Bush and Clinton administrations feared most was in Kosovo—where it seemed inevitable that conflict would easily spread into neighboring countries, thus destabilizing the entire region. In 1992, President Bush warned Serbian leader Slobodan Milosevic that the United States was prepared to use military force against Serb-instigated attacks in Kosovo. When he took office, President Clinton repeated this so-called ''Christmas warning.''

Now six years later, Milosevic is again on the warpath. Based on what I saw two weeks ago, there should be no doubt that Serbia is engaged in major, systematic attacks on the people and territory of Kosovo.

Prior to my trip, I had seen some television reports of the suffering in Kosovo. These few images, however, were only a pale reflection of the widespread devastation of lives, property, and society. Many homes have been firebombed; we saw one home ablaze only yards away from a Serb police checkpoint. Entire villages have been abandoned. We encountered armed Serbian police every couple of miles and twenty checkpoints in just six hours.

The Albanians we met—mostly women, children and, the elderly ''are living in fear for their lives. They are afraid to go where there are Serb police or other Serb armed forces. And so, despite the near freezing temperatures at night, hundreds of thousands of Kosovar Albanians remain hiding in the hills—without adequate food, water or shelter. Many thousands no longer have homes to return to. The children, in particular, are already showing signs of a vitamin deficient diet; they have sores on their mouths and most have scabies or other skin ailments resulting from a lack of sufficient hygiene. Humanitarian aid personnel are being harassed and even attacked. These aid organizations do not enjoy freedom of access, nor can they bring in certain critical supplies because Belgrade has placed an internal embargo on them.

During our visit, we also heard chilling testimony from eyewitnesses to human rights abuses and atrocities, including direct artillery attacks on civilians; seizures at gun point; and, as in Srebrenica in Bosnia, the separation of women and children from men.

There may be some even in this audience who may think this is a terrible humanitarian disaster, but why is it important to the United States? What does it have to do with freedom and democracy and American interests?

Yes, with hundreds of thousands of displaced persons and winter fast approaching, Kosovo is a humanitarian and human rights catastrophe. However, the problem in Kosovo is not a humanitarian one. It is a political and military crisis, whose most visible symptoms are humanitarian.

And so, while more humanitarian aid is desperately needed, such assistance will not solve the problem. And not solving the problem means that stability in that entire region—from Montenegro to Albania, Macedonia and Greece—is dangerously threatened.

America cannot wait three years, as it did in Bosnia, to deal effectively with this foreign policy crisis. We cannot afford to wait three months—for humanitarian and geo-political reasons. Tiny Montenegro has closed its doors to fleeing Kosovars, burdened under the strain of thousands already seeking refugee there and by the struggle to distance itself from Milosevic. Albania is on the brink of anarchy. In the blink of an eye, violence could spread into Macedonia and tear that fragile new democracy in two.

And what is the American policy response at this moment? Active participation in diplomatic meetings that result in policy statements calling on Slobodan Milosevic to halt his attacks on Kosovo. In short, tough talk and no action.

As in Bosnia, America is asking the victims to negotiate with those who are attacking them. As in Bosnia, there is a real attempt to impose a moral equivalence—this time between Serbian forces and the rag-tag band of Albanians, known as the KLA, who have taken up arms against them. As in Bosnia, the United States is not leading its allies, but hiding behind their indecision. As in Bosnia, instead of firing up the engines, NATO is firing up excuses.

The bottom line is that once again, Western diplomats are trying to avoid the difficult decisions and are desperate not to take on the person most responsible for the misery, suffering and instability not only in Serbia, but the region: Slobodan Milosevic. As my friend Jeane, who is here tonight, has stated, Bosnia represents the single biggest foreign policy failure of the United States since World War II.

Are we ready to repeat that failure?

As the diplomats' argument often goes, the situation on Kosovo is ''complicated'' and NATO needs UN Security Council authorization to act. Both of these assertions are dead wrong. First, the situation is not complicated. Indeed, it could not be clearer: This is a war against civilians, and we know who is responsible: Slobodan Milosevic. Second, NATO does not need and should not seek UN Security Council resolution authorizing it to take action to respond to a crisis in Europe that threatens stability in the region. All NATO needs is some leaderhsip—from the United States first and foremost, and then from Britain, France and Germany.

Let us not forget that NATO's credibility suffered in Bosnia when it acted as a subcontractor to the United Nations. Tying NATO to the UN now—with respect to Kosovo—will repeat that mistake. And, this time it could have an even more damaging effect on the credibility and relevance of the Atlantic Alliance.

When Secretary Shattuck and I met with Milosevic two weeks ago, he did not act like a man cowering in fear of NATO action. Instead, he acted like a man who had already gotten away with murder and would be rewarded for it. Milosevic denied any offensives were underway or being planned, yet within 36 hours of our departure, a serious offensive was begun in the region of Pec.

The time is long overdue for the US to embrace a policy that will end Milosevic's reign of terror. The United States had the opportunity to do so when Milosevic was shelling the ancient Croatian port city of Dubrovnik in 1991. It did not. The United States had the opportunity again when the citizens of Sarajevo first had to man the barricades of their city in 1992. It did not. The United States had its most significant opportunity to do so at Dayton and did not. Indeed, the Clinton Administration's failure to address the status of Kosovo at Dayton may be the single greatest failure of the already badly-flawed Dayton peace process.

The United States and its NATO allies must press urgently for a cease-fire and a simultaneous withdrawal of Serbian police and military forces by a date certain. the KLA must also commit not to attack. NATO must back this ultimatum with a plan to use major force immediately and effectively against Serb military assets if all of the conditions laid out are not met.

Let me be clear, the only language Milosevic understands is force.

With a cease-fire and withdrawal of all Serbian police and Yugoslavia Army forces, people can safely return to their homes and rebuild their lives with international assistance.

There would also be progress on the diplomatic front. Only if civilians are not under attack can Albanians and Serbian leaders engage in genuine negotiations—on a level playing field—with the goal of achieving a sustainable peace that is built on democratic institutions. Such a peace would guarantee that instability would not spread into Montenegro, Macedonia or Albania.

Let me also emphasize that a peace based on democratic principles and the creation of democratic institutions would also serve to strengthen the position of the fledgling democratic opposition in Serbia—especially by depriving Milosevic of the opportunity to distract Serb citizens from their deteriorating economy and near-pariah position in Europe. Such a deal would provide significant momentum to the democratization process, momentum which the IRI could capitalize on by expanding its programs there.

In conclusion, let me emphasize that half-measures and interim deals will not do. The options are not easy, but that cannot be a justification for Bank-Aid diplomacy. Over the past eight years numerous opportunities have been wasted. American officials at the highest levels have publicly pledged not to allow the crimes against humanity that we witnessed in Bosnia to be repeated in Kosovo. From what I have seen first-hand, such crimes are already occurring—and the ramifications will not be limited to the plight of the Kosovars.

Freedom and liberty—the principles that America stands for—are at stake. American credibility and European stability are on the line. What is urgently needed now is American leadership and a firm commitment to a genuine and just peace in Kosovo. It is my hope that President Clinton will do the right thing and that there will be strong support—among Republicans and Democrats. Many of you here tonight can play a role in forging broad bipartisan support for American resolve to end this conflict once and for all.

Mr. McCAIN. Mr. President, Senator Dole spoke about the crisis in Kosovo. We all know that with the ongoing scandal in our Nation's Capital, many of our important national security issues are being ignored, whether it be Iraq or Korea or the Middle East peace process. But Bob Dole focused the attention and riveted the attention of the audience last night, as he did in a recent op-ed piece in the Washington Post, on this terrible situation that exists today and the impending terrible

tragedies that will ensue in Kosovo with the onset of winter.

Bob Dole pointed out that literally hundreds of thousands of people of Albanian nationality are in the mountains around Kosovo. These people will freeze to death, they will starve to death, and they will die by the thousands and thousands if something isn't done and done quickly.

Bob Dole's speech and his commitment on this issue should serve as a compelling call to this administration to act—to act—on Kosovo in consultation with the Congress of the United States and the American people.

Six months ago, the Secretary of State of the United States of America stated we will not allow the Serbs to do in Kosovo what we have prevented them from doing in Bosnia, and exactly what we prevented in Bosnia is taking place in Kosovo at the cost of possibly hundreds of thousands of innocent lives.

I urge all of my colleagues to read the speech that Bob Dole delivered last night, which has already been printed in the RECORD. Read it and take heed, because I know of no one who has the credentials that Bob Dole has to speak on not only all issues of national security but particularly this issue because of his deep and profound and prolonged involvement, and now very emotional involvement, in this issue.

Mr. SMITH of Oregon. Mr. President, I was inspired to come to the floor to respond and to support the words of my friend from Arizona as he spoke very eloquently and emotionally about the plight of the people of Kosovo. Growing up as a little boy, I have to tell you, I saw, with all Americans, reports and film footage from the Second World War where we saw a holocaust carried out in a previous decade. And I reacted with horror at things that I saw that humankind could do to one another.

It just seemed to me, at a young age, that if we had the ability to stop holocausts in our time that we should. I know we cannot be the policemen of the world, but I am here to tell you we are right now in Bosnia. We supported our President. And we are maintaining peace in Bosnia. But right next door we are witnessing a holocaust unfold before our eyes, and we apparently are paralyzed in our efforts to respond.

Winter is coming, and tens of thousands of Kosovar Albanians are in the hills and will soon die if something is not done to ensure their rights, to ensure their safety, and to stop the bloodshed.

Mr. President, I want to suggest that one person is solely and directly responsible for the catastrophe unfolding before our eyes, and that is President Milosevic of Serbia. He has indicated no willingness to negotiate a solution that will allow the Kosovar Albanians to exercise their legitimate political rights. He is interested in one thing and one thing only—the consolidating and maintaining of his power on that country and region. And he apparently will do anything to ensure that this remains the case.

Mr. President, for months the United States and our allies have stood by and watched one onslaught after another in Kosovo, rendering enormous tragedies in that land; and yet we just respond with critical statements in the face of Serb offenses. For months the United States has told Milosevic that we will not let him get away with in Kosovo what he has done in Bosnia, but yet we do nothing. We do nothing to stop his onslaught. For months, the United States has threatened the use of force if Mr. Milosevic does not take necessary actions to withdraw his forces from Kosovo and to begin a serious process of negotiation.

I am saddened to say the other day a reporter just outside this Chamber asked me if we were doing nothing as a country in the face of this holocaust because of the President's internal difficulties, because of his unwillingness to wag the dog, if you will. I cannot think of anything more indicative of why we need to make sure our Commander in Chief can respond, to have a Commander in Chief that can respond with the integrity of his office. And here we sit paralyzed in the face of unfolding, unspeakable tragedy.

I am here to say one thing to Mr. Milosevic: Our patience in the U.S. Senate is running out. I join the Senator from Arizona, and many others, in saying time has run out and that I will support vigorous and, if necessary, unilateral use of force against Serbian installations in Kosovo and in Serbia proper. It is time for American leadership in Kosovo. It is unfortunate that we have thus far not seen evidence of this from the Clinton administration.

If it is up to Congress to provide the leadership, so be it. I welcome Senator MCCAIN's call for action. I understand the former majority leader, Bob Dole, has made the same call. And I join them today in support of America doing something unilaterally, if necessary, to take action to stop this tragedy, this unfolding holocaust.

Thank you, Mr. President. I yield the floor.

Mr. McCAIN. Madam President, I now ask for the regular order.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The PRESIDING OFFICER (Ms. COLLINS). Under the previous agreement, the clerk will now report the pending bill, S. 2279.

The bill clerk read as follows:

A bill (S. 2279) to amend title 49, United States Code, to authorize the programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001, and 2002, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF SECTIONS.

(a) SHORT TITLE.—This Act may be cited as the ''Wendell H. Ford National Air Transportation System Improvement Act of 1998''.

(b) TABLE OF SECTIONS.—The table of sections for this Act is as follows:

SEC. 2. AMENDMENTS TO TITLE 49, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

TITLE I—AUTHORIZATIONS

SEC. 101. FEDERAL AVIATION ADMINISTRATION OPERATIONS.

Section 106(k) is amended to read as follows:

''(k) AUTHORIZATION OF APPROPRIATIONS FOR OPERATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Secretary of Transportation for operations of the Administration $5,631,000,000 for fiscal year 1999, $5,784,000,000 for fiscal year 2000, $5,946,000,000 for fiscal year 2001, and $6,112,000,000 for fiscal year 2002. Of the amounts authorized to be appropriated for fiscal year 1999, not more than $9,100,000 shall be used to support air safety efforts through payment of United States membership obligations, to be paid as soon as practicable.

''(2) AUTHORIZED EXPENDITURES.—Of the amounts appropriated under paragraph (1) $450,000 may be used for wildlife hazard mitigation measures and management of the wildlife strike database of the Federal Aviation Administration.

''(3) UNIVERSITY CONSORTIUM.—There are authorized to be appropriated not more than $9,100,000 for the 3 fiscal year period beginning with fiscal year 1999 to support a university consortium established to provide an air safety and security management certificate program, working cooperatively with the Federal Aviation Administration and United States air carriers. Funds authorized under this paragraph—

''(A) may not be used for the construction of a building or other facility; and

''(B) shall be awarded on the basis of open competition.''.

SEC. 102. AIR NAVIGATION FACILITIES AND EQUIPMENT.

(a) IN GENERAL.—Section 48101(a) is amended by striking paragraphs (1) and (2) and inserting the following:

''(1) for fiscal year 1999—

''(A) $222,800,000 for engineering, development, test, and evaluation: en route programs;

''(B) $74,700,000 for engineering, development, test, and evaluation: terminal programs;

''(C) $108,000,000 for engineering, development, test, and evaluation: landing and navigational aids;

''(D) $17,790,000 for engineering, development, test, and evaluation: research, test, and evaluation equipment and facilities programs;

''(E) $391,358,300 for air traffic control facilities and equipment: en route programs;

''(F) $492,315,500 for air traffic control facilities and equipment: terminal programs;

''(G) $38,764,400 for air traffic control facilities and equipment: flight services programs;

''(H) $50,500,000 for air traffic control facilities and equipment: other ATC facilities programs;

''(I) $162,400,000 for non-ATC facilities and equipment programs;

''(J) $14,500,000 for training and equipment facilities programs;

''(K) $280,800,000 for mission support programs;

''(L) $235,210,000 for personnel and related expenses;

''(2) $2,189,000,000 for fiscal year 2000;

''(3) $2,250,000,000 for fiscal year 2001; and

''(4) $2,313,000,000 for fiscal year 2002.''.

(b) CONTINUATION OF ILS INVENTORY PROGRAM.—Section 44502(a)(4)(B) is amended—

(1) by striking ''fiscal years 1995 and 1996'' and inserting ''fiscal years 1999, 2000, 2001, and 2002''; and

(2) by striking ''acquisition,'' and inserting ''acquisition under new or existing contracts,''.

(c) LIFE-CYCLE COST ESTIMATES.—The Administrator of the Federal Aviation Administration shall establish life-cycle cost estimates for any air traffic control modernization project the total life-cycle costs of which equal or exceed $50,000,000.

SEC. 103. AIRPORT PLANNING AND DEVELOPMENT AND NOISE COMPATIBILITY PLANNING AND PROGRAMS.

(a) EXTENSION AND AUTHORIZATION.—Section 48103 is amended by—

(1) striking ''September 30, 1996,'' and inserting ''September 30, 1998,''; and

(2) striking ''$2,280,000,000 for fiscal years ending before October 1, 1997, and $4,627,000,000 for fiscal years ending before October 1, 1998.'' and inserting ''$2,410,000,000 for fiscal years ending before October 1, 1999, $4,885,000,000 for fiscal years ending before October 1, 2000, $7,427,000,000 for fiscal years ending before October 1, 2001, and $10,038,000,000 for fiscal years ending before October 1, 2002.''.

(b) PROJECT GRANT AUTHORITY.—Section 47104(c) is amended by striking ''1998,'' and inserting ''2002,''.

SEC. 104. REPROGRAMMING NOTIFICATION REQUIREMENT.

Before reprogramming any amounts appropriated under section 106(k), 48101(a), or 48103 of title 49, United States Code, for which notification of the Committees on Appropriations of the Senate and the House of Representatives is required, the Secretary of Transportation shall submit a written explanation of the proposed reprogramming to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

SEC. 105. AIRPORT SECURITY PROGRAM.

(a) IN GENERAL.—Chapter 471 (as amended by section 202(a) of this Act) is amended by adding the following new section:

''§ 47136. Airport security program

''(a) GENERAL AUTHORITY.—To improve security at public airports in the United States, the Secretary of Transportation shall carry out not less than 1 project to test and evaluate innovative airport security systems and related technology.

''(b) PRIORITY.—In carrying out this section, the Secretary shall give the highest priority to a request from an eligible sponsor for a grant to undertake a project that—

''(1) evaluates and tests the benefits of innovative airport security systems or related technology, including explosives detection systems, for the purpose of improving airport and aircraft physical security and access control; and

''(2) provides testing and evaluation of airport security systems and technology in an operational, test bed environment.

''(c) MATCHING SHARE.—Notwithstanding section 47109, the United States Government's share of allowable project costs for a project under this section is 100 percent.

''(d) TERMS AND CONDITIONS.—The Secretary may establish such terms and conditions as the Secretary determines appropriate for carrying out a project under this section, including terms and conditions relating to the form and content of a proposal for a project, project assurances, and schedule of payments.

''(e) ELIGIBLE SPONSOR DEFINED.—In this section, the term 'eligible sponsor' means a nonprofit corporation composed of a consortium of public and private persons, including a sponsor of a primary airport, with the necessary engineering and technical expertise to successfully conduct the testing and evaluation of airport and aircraft related security systems.

''(f) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts made available to the Secretary under section 47115 in a fiscal year, the Secretary shall make available not less than $5,000,000 for the purpose of carrying out this section.''.

(b) CONFORMING AMENDMENT.—The analysis for subchapter I of such chapter (as amended by section 202(b) of this Act) is amended by adding at the end the following:

''47136. Airport security program.''.

SEC. 106. CONTRACT TOWER PROGRAM.

There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out the Federal Contract Tower Program under title 49, United States Code.

TITLE II—AIRPORT IMPROVEMENT PROGRAM AMENDMENTS

SEC. 201. REMOVAL OF THE CAP ON DISCRETIONARY FUND.

Section 47115(g) is amended by striking paragraph (4).

SEC. 202. INNOVATIVE USE OF AIRPORT GRANT FUNDS.

(a) CODIFICATION AND IMPROVEMENT OF 1996 PROGRAM.—Subchapter I of chapter 471 is amended by adding at the end thereof the following:

''§ 47135. Innovative financing techniques

''(a) IN GENERAL.—The Secretary of Transportation is authorized to carry out a demonstration program under which the Secretary may approve applications under this subchapter for not more than 20 projects for which grants received under the subchapter may be used to implement innovative financing techniques.

''(b) PURPOSE.—The purpose of the demonstration program shall be to provide information on the use of innovative financing techniques for airport development projects.

''(c) LIMITATION—In no case shall the implementation of an innovative financing technique under the demonstration program result in a direct or indirect guarantee of any airport debt instrument by the United States Government.

''(d) INNOVATIVE FINANCING TECHNIQUE DEFINED.—In this section, the term 'innovative financing technique' includes methods of financing projects that the Secretary determines may be beneficial to airport development, including—

''(1) payment of interest;

''(2) commercial bond insurance and other credit enhancement associated with airport bonds for eligible airport development; and

''(3) flexible non-Federal matching requirements.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 471 is amended by inserting after the item relating to section 47134 the following:

''47135. Innovative financing techniques.''.

SEC. 203. MATCHING SHARE.

Section 47109(a)(2) is amended by inserting ''not more than'' before ''90 percent''.

SEC. 204. INCREASE IN APPORTIONMENT FOR NOISE COMPATIBILITY PLANNING AND PROGRAMS.

Section 47117(e)(1)(A) is amended by striking ''31'' each time it appears and substituting ''35''.

SEC. 205. TECHNICAL AMENDMENTS.

(a) USE OF APPORTIONMENTS FOR ALASKA, PUERTO RICO, AND HAWAII.—Section 47114(d)(3) is amended to read as follows:

''(3) An amount apportioned under paragraph (2) of this subsection for airports in Alaska, Hawaii, or Puerto Rico may be made available by the Secretary for any public airport in those respective jurisdictions.''.

(b) SUPPLEMENTAL APPORTIONMENT FOR ALASKA.—Section 47114(e) is amended—

(1) by striking ''ALTERNATIVE'' in the subsection caption and inserting ''SUPPLEMENTAL'';

(2) in paragraph (1) by—

(A) striking ''Instead of apportioning amounts for airports in Alaska under'' and inserting ''Notwithstanding''; and

(B) striking ''those airports'' and inserting ''airports in Alaska''; and

(3) striking paragraph (3) and inserting the following:

''(3) An amount apportioned under this subsection may be used for any public airport in Alaska.''.

(c) REPEAL OF APPORTIONMENT LIMITATION ON COMMERCIAL SERVICE AIRPORTS IN ALASKA.—Section 47117 is amended by striking subsection (f) and redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(d) DISCRETIONARY FUND DEFINITION.—

(1) Section 47115 is amended—

(A) by striking ''25'' in subsection (a) and inserting ''12.5''; and

(B) by striking the second sentence in subsection (b).

(2) Section 47116 is amended—

(A) by striking ''75'' in subsection (a) and inserting ''87.5'';

(B) by redesignating paragraphs (1) and (2) in subsection (b) as subparagraphs (A) and (B), respectively, and inserting before subparagraph (A), as so redesignated, the following:

''(1) one-seventh for grants for projects at small hub airports (as defined in section 41731 of this title); and

''(2) the remaining amounts based on the following:''.

(e) CONTINUATION OF PROJECT FUNDING.—Section 47108 is amended by adding at the end thereof the following:

''(e) CHANGE IN AIRPORT STATUS.—If the status of a primary airport changes to a non-primary airport at a time when a development project under a multiyear agreement under subsection (a) is not yet completed, the project shall remain eligible for funding from discretionary funds under section 47115 of this title at the funding level and under the terms provided by the agreement, subject to the availability of funds.''.

(f) GRANT ELIGIBILITY FOR PRIVATE RELIEVER AIRPORTS.—Section 47102(17)(B) is amended by—

(1) striking ''or'' at the end of clause (i) and redesignating clause (ii) as clause (iii); and

(2) inserting after clause (i) the following:

''(ii) a privately-owned airport that, as a reliever airport, received Federal aid for airport development prior to October 9, 1996, but only if the Administrator issues revised administrative guidance after July 1, 1998, for the designation of reliever airports; or''.

(g) RELIEVER AIRPORTS NOT ELIGIBLE FOR LETTERS OF INTENT.—Section 47110(e)(1) is amended by striking ''or reliever''.

(h) PASSENGER FACILITY FEE WAIVER FOR CERTAIN CLASS OF CARRIERS.—Section 40117(e)(2) is amended—

(1) by striking ''and'' after the semicolon in subparagraph (B);

(2) by striking ''payment.'' in subparagraph (C) and inserting ''payment; and''; and

(3) by adding at the end thereof the following:

''(D) in Alaska aboard an aircraft having a seating capacity of less than 20 passengers.''.

(i) PASSENGER FACILITY FEE WAIVER FOR CERTAIN CLASS OF CARRIERS OR FOR SERVICE TO AIRPORTS IN ISOLATED COMMUNITIES.—Section 40117(i) is amended—

(1) by striking ''and'' at the end of paragraph (1);

(2) by striking ''transportation.'' in paragraph (2)(D) and inserting ''transportation; and''; and

(3) by adding at the end thereof the following:

''(3) may permit a public agency to request that collection of a passenger facility fee be waived for—

''(A) passengers enplaned by any class of air carrier or foreign air carrier if the number of passengers enplaned by the carriers in the class constitutes not more than one percent of the total number of passengers enplaned annually at the airport at which the fee is imposed; or

''(B) passengers enplaned on a flight to an airport—

''(i) that has fewer than 2,500 passenger boardings each year and receives scheduled passenger service; or

''(ii) in a community which has a population of less than 10,000 and is not connected by a land highway or vehicular way to the land-connected National Highway System within a State.''.

(j) USE OF THE WORD ''GIFT'' AND PRIORITY FOR AIRPORTS IN SURPLUS PROPERTY DISPOSAL.—

(1) Section 47151 is amended—

(A) by striking ''give'' in subsection (a) and inserting ''convey to'';

(B) by striking ''gift'' in subsection (a)(2) and inserting ''conveyance'';

(C) by striking ''giving'' in subsection (b) and inserting ''conveying'';

(D) by striking ''gift'' in subsection (b) and inserting ''conveyance''; and

(E) by adding at the end thereof the following:

''(d) PRIORITY FOR PUBLIC AIRPORTS.—Except for requests from another Federal agency, a department, agency, or instrumentality of the Executive Branch of the United States Government shall give priority to a request by a public agency (as defined in section 47102 of this title) for surplus property described in subsection (a) of this section for use at a public airport.''.

(2) Section 47152 is amended—

(A) by striking ''***gifts***'' in the section caption and inserting ''***conveyances***''; and

(B) by striking ''gift'' in the first sentence and inserting ''conveyance''.

(3) The chapter analysis for subchapter 471 is amended by striking the item relating to section 47152 and inserting the following:

''47152. Terms of conveyances.''.

(4) Section 47153(a) is amended—

(A) by striking ''gift'' in paragraph (1) and inserting ''conveyance'';

(B) by striking ''given'' in paragraph (1)(A) and inserting ''conveyed''; and

(C) by striking ''gift'' in paragraph (1)(B) and inserting ''conveyance''.

(k) APPORTIONMENT FOR CARGO ONLY AIRPORTS.—Section 47114(c)(2)(A) is amended by striking ''2.5 percent'' and inserting ''3 percent''.

(l) FLEXIBILITY IN PAVEMENT DESIGN STANDARDS.—Section 47114(d) is amended by adding at the end thereof the following:

''(4) The Secretary may permit the use of State highway specifications for airfield pavement construction using funds made available under this subsection at non-primary airports with runways of 5,000 feet or shorter serving aircraft that do not exceed 60,000 pounds gross weight, if the Secretary determines that—

''(A) safety will not be negatively affected; and

''(B) the life of the pavement will not be shorter than it would be if constructed using Administration standards.

An airport may not seek funds under this subchapter for runway rehabilitation or reconstruction of any such airfield pavement constructed using State highway specifications for a period of 10 years after construction is completed.''.

SEC. 206. REPEAL OF PERIOD OF APPLICABILITY.

Section 125 of the Federal Aviation Reauthorization Act of 1996 (49 U.S.C. 47114 note) is repealed.

SEC. 207. REPORT ON EFFORTS TO IMPLEMENT CAPACITY ENHANCEMENTS.

Within 9 months after the date of enactment of this Act, the Secretary of Transportation shall report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives on efforts by the Federal Aviation Administration to implement capacity enhancements and improvements, such as precision runway monitoring systems and the time frame for implementation of such enhancements and improvements.

SEC. 208. PRIORITIZATION OF DISCRETIONARY PROJECTS.

Section 47120 is amended by—

(1) inserting ''(a) IN GENERAL.—'' before ''In''; and

(2) adding at the end thereof the following:

''(b) DISCRETIONARY FUNDING TO BE USED FOR HIGHER PRIORITY PROJECTS.—The Administrator of the Federal Aviation Administration shall discourage airport sponsors and airports from using entitlement funds for lower priority projects by giving lower priority to discretionary projects submitted by airport sponsors and airports that have used entitlement funds for projects that have a lower priority than the projects for which discretionary funds are being requested.''.

SEC. 209. PUBLIC NOTICE BEFORE GRANT ASSURANCE REQUIREMENT WAIVED.

Notwithstanding any other provision of law to the contrary, the Secretary of Transportation may not waive any assurance required under section 47107 of title 49, United States Code, that requires property to be used for aeronautical purposes unless the Secretary provides notice to the public not less than 30 days before issuing any such waiver. Nothing in this section shall be construed to authorize the Secretary to issue a waiver of any assurance required under that section.

SEC. 210. DEFINITION OF PUBLIC AIRCRAFT.

Section 40102(a)(37)(B)(ii) is amended—

(1) by striking ''or'' at the end of subclause (I);

(2) by striking the ''States.'' in subclause (II) and inserting ''States; or''; and

(3) by adding at the end thereof the following:

''(III) transporting persons aboard the aircraft if the aircraft is operated for the purpose of prisoner transport.''.

SEC. 211. TERMINAL DEVELOPMENT COSTS.

Section 40117 is amended by adding at the end thereof the following:

''(j) SHELL OF TERMINAL BUILDING.—In order to enable additional air service by an air carrier with less than 50 percent of the scheduled passenger traffic at an airport, the Secretary may consider the shell of a terminal building (including heating, ventilation, and air conditioning) to be an eligible airport-related project under subsection (a)(3)(E).''.

TITLE III—AMENDMENTS TO AVIATION LAW

SEC. 301. SEVERABLE SERVICES CONTRACTS FOR PERIODS CROSSING FISCAL YEARS.

(a) Chapter 401 is amended by adding at the end thereof the following:

''§ 40125. Severable services contracts for periods crossing fiscal years

''(a) IN GENERAL.—The Administrator of the Federal Aviation Administration may enter into a contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.

''(b) OBLIGATION OF FUNDS.—Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of subsection (a) of this section.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 401 is amended by adding at the end thereof the following:

''40125. Severable services contracts for periods crossing fiscal years.''.

SEC. 302. FOREIGN CARRIERS ELIGIBLE FOR WAIVER UNDER AIRPORT NOISE AND CAPACITY ACT.

The first sentence of section 47528(b)(1) is amended by inserting ''or foreign air carrier'' after ''air carrier'' the first place it appears and after ''carrier'' the first place it appears.

SEC. 303. GOVERNMENT AND INDUSTRY CONSORTIA.

Section 44903 is amended by adding at the end thereof the following:

''(f) GOVERNMENT AND INDUSTRY CONSORTIA.—The Administrator may establish at airports such consortia of government and aviation industry representatives as the Administrator may designate to provide advice on matters related to aviation security and safety. Such consortia shall not be considered federal advisory committees for purposes of the Federal Advisory Committee Act (5 U.S.C. App.).''.

SEC. 304. IMPLEMENTATION OF ARTICLE 83 BIS OF THE CHICAGO CONVENTION.

Section 44701 is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

''(e) BILATERAL EXCHANGES OF SAFETY OVERSIGHT RESPONSIBILITIES.—

''(1) Notwithstanding the provisions of this chapter, and pursuant to Article 83 bis of the Convention on International Civil Aviation, the Administrator may, by a bilateral agreement with the aeronautical authorities of another country, exchange with that country all or part of their respective functions and duties with respect to aircraft described in subparagraphs (A) and (B), under the following articles of the Convention:

''(A) Article 12 (Rules of the Air).

''(B) Article 31 (Certificates of Airworthiness).

''(C) Article 32a (Licenses of Personnel).

''(2) The agreement under paragraph (1) may apply to—

''(A) aircraft registered in the United States operated pursuant to an agreement for the lease, charter, or interchange of the aircraft or any similar arrangement by an operator that has its principal place of business or, if it has no such place of business, its permanent residence in another country; or

''(B) aircraft registered in a foreign country operated under an agreement for the lease, charter, or interchange of the aircraft or any similar arrangement by an operator that has its principal place of business or, if it has no such place of business, its permanent residence in the United States.

''(3) The Administrator relinquishes responsibility with respect to the functions and duties transferred by the Administrator as specified in the bilateral agreement, under the Articles listed in paragraph (1) of this subsection for United States-registered aircraft transferred abroad as described in subparagraph (A) of that paragraph, and accepts responsibility with respect to the functions and duties under those Articles for aircraft registered abroad that are transferred to the United States as described in subparagraph (B) of that paragraph.

''(4) The Administrator may, in the agreement under paragraph (1), predicate the transfer of these functions and duties on any conditions the Administrator deems necessary and prudent.''.

SEC. 305. FOREIGN AVIATION SERVICES AUTHORITY.

(a) RECIPROCAL WAIVER OF OVERFLIGHT FEES.—Section 45301(a)(1) is amended to read as follows:

''(1) Air traffic control and related services provided to aircraft that neither take off from, nor land in, the United States, other than military and civilian aircraft of the United States Government or of a foreign government, except that such fees shall not be imposed on overflights that take off and land in a country contiguous to the United States if—

''(A) both the origin and destination of such flights are within that other country;

''(B) that country exempts similar categories of flights operated by citizens of the United States from such fees; and

''(C) that country exchanges responsibility for air traffic control services with the United States.''.

(b) TECHNICAL CORRECTIONS.—Section 45301 is amended—

(1) by striking ''government.'' in subsection (a)(2) and inserting ''government or to any entity obtaining services outside the United States.'';

(2) by striking ''directly'' in subsection (b)(1)(B); and

(3) by striking ''rendered.'' in subsection (b)(1)(B) and inserting ''rendered, including value to the recipient and both direct and indirect costs of overflight-related services, as determined by the Administrator, using generally accepted accounting principles and internationally accepted principles of setting fees for overflight-related services.''.

SEC. 306. FLEXIBILITY TO PERFORM CRIMINAL HISTORY RECORD CHECKS; TECHNICAL AMENDMENTS TO PILOT RECORDS IMPROVEMENT ACT.

Section 44936 is amended—

(1) by striking ''subparagraph (C))'' in subsection (a)(1)(B) and inserting ''subparagraph (C), or in the case of passenger, baggage, or property screening at airports, the Administrator decides it is necessary to ensure air transportation security)'';

(2) by striking ''individual'' in subsection (f)(1)(B)(ii) and inserting ''individual's performance as a pilot''; and

(3) by inserting ''or from a foreign government or entity that employed the individual,'' in subsection (f)(14)(B) after ''exists,''.

SEC. 307. AVIATION INSURANCE PROGRAM AMENDMENTS.

(a) REIMBURSEMENT OF INSURED PARTY'S SUBROGEE.—Subsection (a) of 44309 is amended—

(1) by striking the subsection caption and the first sentence, and inserting the following:

''(a) LOSSES.—

''(1) A person may bring a civil action in a district court of the United States or in the United States Court of Federal Claims against the United States Government when—

''(A) a loss insured under this chapter is in dispute; or

''(B)(i) the person is subrogated to the rights against the United States Government of a party insured under this chapter (other than under subsection 44305(b) of this title), under a contract between the person and such insured party; and

''(ii) the person has paid to such insured party, with the approval of the Secretary of Transportation, an amount for a physical damage loss that the Secretary of Transportation has determined is a loss covered under insurance issued under this chapter (other than insurance issued under subsection 44305(b) of this title).''; and

(2) by resetting the remainder of the subsection as a new paragraph and inserting ''(2)'' before ''A civil action''.

(b) EXTENSION OF AVIATION INSURANCE PROGRAM.—Section 44310 is amended by striking ''1998.'' and inserting ''2003.''.

SEC. 308. TECHNICAL CORRECTIONS TO CIVIL PENALTY PROVISIONS.

Section 46301 is amended—

(1) by striking ''46302, 46303, or'' in subsection (a)(1)(A);

(2) by striking ''individual'' the first time it appears in subsection (d)(7)(A) and inserting ''person''; and

(3) by inserting ''or the Administrator'' in subsection (g) after ''Secretary''.

TITLE IV—TITLE 49 TECHNICAL CORRECTIONS

SEC. 401. RESTATEMENT OF 49 U.S.C. 106(g).

(a) IN GENERAL.—Section 106(g) is amended by striking ''40113(a), (c), and (d), 40114(a), 40119, 44501(a) and (c), 44502(a)(1), (b) and (c), 44504, 44505, 44507, 44508, 44511–44513, 44701–44716, 44718(c), 44721(a), 44901, 44902, 44903(a)–(c) and (e), 44906, 44912, 44935–44937, and 44938(a) and (b), chapter 451, sections 45302–45304,'' and inserting ''40113(a), (c)–(e), 40114(a), and 40119, and chapter 445 (except sections 44501(b), 44502(a)(2)–(4), 44503, 44506, 44509, 44510, 44514, and 44515), chapter 447 (except sections 44717, 44718(a) and (b), 44719, 44720, 44721(b), 44722, and 44723), chapter 449 (except sections 44903(d), 44904, 44905, 44907–44911, 44913, 44915, and 44931–44934), chapter 451, chapter 453, sections''.

(b) TECHNICAL CORRECTION.—The amendment made by this section may not be construed as making a substantive change in the language replaced.

SEC. 402. RESTATEMENT OF 49 U.S.C. 44909.

Section 44909(a)(2) is amended by striking ''shall'' and inserting ''should''.

SEC. 403. TYPOGRAPHICAL ERRORS.

(a) SECTION 15904.— Section 15904(c)(1) is amended by inserting ''section'' before ''15901(b)''.

(b) CHAPTER 491.—Chapter 491 is amended—

(1) by striking ''1996'' in section 49106(b)(1)(F) and inserting ''1986'';

(2) by striking ''by the board'' in section 49106(c)(3) and inserting ''to the board'';

(3) by striking ''subchapter II'' in section 49107(b) and inserting ''subchapter III''; and

(4) by striking ''retention of'' in section 49111(b) and inserting ''retention by''.

(c) SCHEDULE OF REPEALED LAWS.—The Schedule of Laws Repealed in section 5(b) of the Act of November 20, 1997 (Public Law 105–102; 111 Stat. 2217), is amended by striking ''1996'' the first place it appears and inserting ''1986''.

(d) AMENDMENTS EFFECTIVE AS OF EARLIER DATE OF ENACTMENT.—The amendments made by subsections (a), (b), and (c) are effective as of November 20, 1997.

(e) CORRECTION OF ERROR IN TECHNICAL CORRECTIONS ACT.—Effective October 11, 1996, section 5(45)(A) of the Act of October 11, 1996 (Public Law 104–287, 110 Stat. 3393), is amended by striking ''ENFORCEMENT;'' and inserting ''ENFORCEMENT:''.

TITLE V—MISCELLANEOUS

SEC. 501. OVERSIGHT OF FAA RESPONSE TO YEAR 2000 PROBLEM.

The Administrator of the Federal Aviation Administration shall report to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Transportation and Infrastructure every 3 months, in oral or written form, on electronic data processing problems associated with the year 2000 within the Administration.

SEC. 502. CARGO COLLISION AVOIDANCE SYSTEMS DEADLINE.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall require by regulation that, not later than December 31, 2002, collision avoidance equipment be installed

on each cargo aircraft with a payload capacity of 15,000 kilograms or more.

(b) EXTENSION.—The Administrator may extend the deadline imposed by subsection (a) for not more than 2 years if the Administrator finds that the extension is needed to promote—

(1) a safe and orderly transition to the operation of a fleet of cargo aircraft equipped with collision avoidance equipment; or

(2) other safety or public interest objectives.

(c) COLLISION AVOIDANCE EQUIPMENT.—For purposes of this section, the term ''collision avoidance equipment'' means TCAS II equipment (as defined by the Administrator), or any other similar system approved by the Administration for collision avoidance purposes.

SEC. 503. RUNWAY SAFETY AREAS.

Within 6 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall initiate rulemaking to amend the regulations in part 139 of title 14, Code of Federal Regulation—

(1) to improve runway safety areas; and

(2) to require the installation of precision approach path indicators.

SEC. 504. AIRPLANE EMERGENCY LOCATORS.

(a) REQUIREMENT.—Section 44712(b) is amended to read as follows:

''(b) NONAPPLICATION.—Subsection (a) does not apply to aircraft when used in—

''(1) flight operations related to the design and testing, manufacture, preparation, and delivery of aircraft; or

''(2) the aerial application of a substance for an agricultural purpose.''.

(b) EFFECTIVE DATE; REGULATIONS.—

(1) REGULATIONS.—The Secretary of Transportation shall promulgate regulations under section 44712(b) of title 49, United States Code, as amended by subsection (a) not later than January 1, 2002.

(2) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2002.

SEC. 505. COUNTERFEIT AIRCRAFT PARTS.

(a) DENIAL OF CERTIFICATE.—Section 44703 is amended by adding at the end thereof the following:

''(g) CERTIFICATE DENIED FOR DEALING IN COUNTERFEIT PARTS.—The Administrator may not issue a certificate to anyone convicted of a violation of any Federal or State law relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material.''.

(b) REVOCATION OF CERTIFICATE.—Section 44710 is amended by adding at the end thereof the following:

''(g) REVOCATION FOR DEALING IN COUNTERFEIT PARTS.—The Administrator shall revoke a certificate issued to anyone convicted of a violation of any Federal or State law relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material.''.

(c) PROHIBITION ON EMPLOYMENT.—Section 44711 is amended by adding at the end thereof the following:

''(c) PROHIBITION ON EMPLOYMENT OF CONVICTED COUNTERFEIT PART DEALERS.—No person subject to this chapter may employ anyone to perform a function related to the procurement, sale, production, or repair of a part or material, or the installation of a part into a civil aircraft, who has been convicted of a violation of any Federal or State law relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material.''.

SEC. 506. FAA MAY FINE UNRULY PASSENGERS.

(a) IN GENERAL.—Chapter 463 is amended by redesignating section 46316 as section 46317, and by inserting after section 46315 the following:

''§ 46316. Interference with cabin or flight crew

''(a) IN GENERAL.—An individual who interferes with the duties or responsibilities of the flight crew or cabin crew of a civil aircraft, or who poses an imminent threat to the safety of the aircraft or other individuals on the aircraft, is liable to the United States Government for a civil penalty of not more than $10,000, which shall be paid to the Federal Aviation Administration and deposited in the account established by section 45303(c).

''(b) COMPROMISE AND SETOFF.—

''(1) The Secretary of Transportation or the Administrator may compromise the amount of a civil penalty imposed under subsection (a).

''(2) The Government may deduct the amount of a civil penalty imposed or compromised under this section from amounts it owes the individual liable for the penalty.''.

(b) CONFORMING CHANGE.—The chapter analysis for chapter 463 is amended by striking the item relating to section 46316 and inserting after the item relating to section 46315 the following:

''46316. Interference with cabin or flight crew.
''46317. General criminal penalty when specific penalty not provided.''.

SEC. 507. HIGHER INTERNATIONAL STANDARDS FOR HANDICAPPED ACCESS.

The Secretary of Transportation shall work with appropriate international organizations and the aviation authorities of other nations to bring about their establishment of higher standards for accommodating handicapped passengers in air transportation, particularly with respect to foreign air carriers that code-share with domestic air carriers.

SEC. 508. CONVEYANCES OF UNITED STATES GOVERNMENT LAND.

(a) IN GENERAL.—Section 47125(a) is amended to read as follows:

''(a) CONVEYANCES TO PUBLIC AGENCIES.—Except as provided in subsection (b) of this section, the Secretary of Transportation—

''(1) shall request the head of the department, agency, or instrumentality owning or controlling land or airspace to convey a property interest in the land or airspace to the public agency sponsoring the project or owning or controlling the airport when necessary to carry out a project under this subchapter at a public airport, to operate a public airport, or for the future development of an airport under the national plan of integrated airport systems; and

''(2) may request the head of such a department, agency, or instrumentality to convey a property interest in the land or airspace to a public agency for a use that will complement, facilitate, or augment airport development, including the development of additional revenue from both aviation and nonaviation sources if the Secretary—

''(A) determines that the property is no longer needed for aeronautical purposes;

''(B) determines that the property will be used to generate revenue for the public airport;

''(C) provides preliminary notice to the head of such department, agency, or instrumentality at least 30 days before making the request;

''(D) provides an opportunity for notice to the public on the request; and

''(E) includes in the request a written justification for the conveyance.''.

(b) APPLICATION TO EXISTING CONVEYANCES.—The provisions of section 47125(a)(2), as amended by subsection (a) apply to property interests conveyed under section 47125 of that title before, on, or after the date of enactment of this Act, section 516 of the Airport and Airway Improvement Act of 1982, section 23 of the Airport and Airway Development Act of 1970, or section 16 of the Federal Airport Act. For purposes of this section, the Secretary of Transportation (or the predecessor of the Secretary) shall be deemed to have met the requirements of subparagraphs (C), (D), and (E) of section 47125(a)(2) of such title, as so amended, for any such conveyance before the date of enactment of this Act.

SEC. 509. FLIGHT OPERATIONS QUALITY ASSURANCE RULES.

Not later than 90 days after the date of enactment of this Act, the Administrator shall issue a notice of proposed rulemaking to develop procedures to protect air carriers and their employees from civil enforcement action under the program known as Flight Operations Quality Assurance. Not later than 1 year after the last day of the period for public comment provided for in the notice of proposed rulemaking, the Administrator shall issue a final rule establishing those procedures.

SEC. 510. WIDE AREA AUGMENTATION SYSTEM.

(a) PLAN.—The Administrator shall identify or develop a plan to implement WAAS to provide navigation and landing approach capabilities for civilian use and make a determination as to whether a backup system is necessary. Until the Administrator determines that WAAS is the sole means of navigation, the Administration shall continue to develop and maintain a backup system.''.

(b) REPORT.—Within 6 months after the date of enactment of this Act, the Administrator shall—

(1) report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure, on the plan developed under subsection (a);

(2) submit a timetable for implementing WAAS; and

(3) make a determination as to whether WAAS will ultimately become a primary or sole means of navigation and landing approach capabilities.

(c) WAAS DEFINED.—For purposes of this section, the term ''WAAS'' means wide area augmentation system.

(d) FUNDING AUTHORIZATION.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out this subsection.

SEC. 511. REGULATION OF ALASKA AIR GUIDES.

The Administrator shall reissue the notice to operators originally published in the Federal Register on January 2, 1998, which advised Alaska guide pilots of the applicability of part 135 of title 14, Code of Federal Regulations, to guide pilot operations. In reissuing the notice, the Administrator shall provide for not less than 60 days of public comment on the Federal Aviation Administration action. If, notwithstanding the public comments, the Administrator decides to proceed with the action, the Administrator shall publish in the Federal Register a notice justifying the Administrator's decision and providing at least 90 days for compliance.

SEC. 512. APPLICATION OF FAA REGULATIONS.

Section 40113 is amended by adding at the end thereof the following:

''(f) APPLICATION OF CERTAIN REGULATIONS TO ALASKA.—In amending title 14, Code of Federal Regulations, in a manner affecting intrastate aviation in Alaska, the Administrator of the Federal Aviation Administration shall consider the extent to which Alaska is not served by transportation modes other than aviation, and shall establish such regulatory distinctions as the Administrator considers appropriate.''.

SEC. 513. HUMAN FACTORS PROGRAM.

(a) IN GENERAL.—Chapter 445 is amended by adding at the end thereof the following:

''§ 44516. Human factors program

''(a) OVERSIGHT COMMITTEE.—The Administrator of the Federal Aviation Administration shall establish an advanced qualification program oversight committee to advise the Administrator on the development and execution of Advanced Qualification Programs for air carriers under this section, and to encourage their adoption and implementation.

''(b) HUMAN FACTORS TRAINING.—

''(1) AIR TRAFFIC CONTROLLERS.—The Administrator shall—

''(A) address the problems and concerns raised by the National Research Council in its report 'The Future of Air Traffic Control' on air traffic control automation; and

''(B) respond to the recommendations made by the National Research Council.

''(2) PILOTS AND FLIGHT CREWS.—The Administrator shall work with the aviation industry to develop specific training curricula, within 12 months after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, to address critical safety problems, including problems of pilots—

''(A) in recovering from loss of control of the aircraft, including handling unusual attitudes and mechanical malfunctions;

''(B) in deviating from standard operating procedures, including inappropriate responses to emergencies and hazardous weather;

''(C) in awareness of altitude and location relative to terrain to prevent controlled flight into terrain; and

''(D) in landing and approaches, including nonprecision approaches and go-around procedures.

''(c) ACCIDENT INVESTIGATIONS.—The Administrator, working with the National Transportation Safety Board and representatives of the aviation industry, shall establish a process to assess human factors training as part of accident and incident investigations.

''(d) TEST PROGRAM.—The Administrator shall establish a test program in cooperation with United States air carriers to use model Jeppesen approach plates or other similar tools to improve nonprecision landing approaches for aircraft.

''(e) ADVANCED QUALIFICATION PROGRAM DEFINED.—For purposes of this section, the term 'advanced qualification program' means an alternative method for qualifying, training, certifying, and ensuring the competency of flight crews and other commercial aviation operations personnel subject to the training and evaluation requirements of Parts 121 and 135 of title 14, Code of Federal Regulations.''.

(b) AUTOMATION AND ASSOCIATED TRAINING.—The Administrator shall complete the Administration's updating of training practices for automation and associated training requirements within 12 months after the date of enactment of this Act.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 445 is amended by adding at the end thereof the following:

''44516. Advanced qualification program.''.

SEC. 514. INDEPENDENT VALIDATION OF FAA COSTS AND ALLOCATIONS.

(a) INDEPENDENT ASSESSMENT.—

(1) INITIATION.—Not later than 90 days after the date of enactment of this Act, the Inspector General of the Department of Transportation shall initiate the analyses described in paragraph (2). In conducting the analyses, the Inspector General shall ensure that the analyses are carried out by 1 or more entities that are independent of the Federal Aviation Administration. The Inspector General may use the staff and resources of the Inspector General or may contract with independent entities to conduct the analyses.

(2) ASSESSMENT OF ADEQUACY AND ACCURACY OF FAA COST DATA AND ATTRIBUTIONS.—To ensure that the method for capturing and distributing the overall costs of the Federal Aviation Administration is appropriate and reasonable, the Inspector General shall conduct an assessment that includes the following:

(A)(i) Validation of Federal Aviation Administration cost input data, including an audit of the reliability of Federal Aviation Administration source documents and the integrity and reliability of the Federal Aviation Administration's data collection process.

(ii) An assessment of the reliability of the Federal Aviation Administration's system for tracking assets.

(iii) An assessment of the reasonableness of the Federal Aviation Administration's bases for establishing asset values and depreciation rates.

(iv) An assessment of the Federal Aviation Administration's system of internal controls for ensuring the consistency and reliability of reported data to begin immediately after full operational capability of the cost accounting system.

(B) A review and validation of the Federal Aviation Administration's definition of the services to which the Federal Aviation Administration ultimately attributes its costs, and the methods used to identify direct costs associated with the services.

(C) An assessment and validation of the general cost pools used by the Federal Aviation Administration, including the rationale for and reliability of the bases on which the Federal Aviation Administration proposes to allocate costs of services to users and the integrity of the cost pools as well as any other factors considered important by the Inspector General. Appropriate statistical tests shall be performed to assess relationships between costs in the various cost pools and activities and services to which the costs are attributed by the Federal Aviation Administration.

(b) DEADLINE.—The independent analyses described in this section shall be completed no later than 270 days after the contracts are awarded to the outside independent contractors. The Inspector General shall submit a final report combining the analyses done by its staff with those of the outside independent contractors to the Secretary of Transportation, the Administrator, the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives. The final report shall be submitted by the Inspector General not later than 300 days after the award of contracts.

(c) FUNDING.—There are authorized to be appropriated such sums as may be necessary for the cost of the contracted audit services authorized by this section.

SEC. 515. WHISTLEBLOWER PROTECTION FOR FAA EMPLOYEES.

Section 347(b)(1) of Public Law 104–50 (49 U.S.C. 106, note) is amended by striking ''protection;'' and inserting ''protection, including the provisions for investigations and enforcement as provided in chapter 12 of title 5, United States Code;''.

SEC. 516. REPORT ON MODERNIZATION OF OCEANIC ATC SYSTEM.

The Administrator of the Federal Aviation Administration shall report to the Congress on plans to modernize the oceanic air traffic control system, including a budget for the program, a determination of the requirements for modernization, and, if necessary, a proposal to fund the program.

SEC. 517. REPORT ON AIR TRANSPORTATION OVERSIGHT SYSTEM.

Beginning in 1999, the Administrator of the Federal Aviation Administration shall report biannually to the Congress on the air transportation oversight system program announced by the Administration on May 13, 1998, in detail on the training of inspectors, the number of inspectors using the system, air carriers subject to the system, and the budget for the system.

SEC. 518. RECYCLING OF EIS.

Notwithstanding any other provision of law to the contrary, the Secretary of Transportation may authorize the use, in whole or in part, of a completed environmental assessment or environmental impact study for a new airport construction project that is substantially similar in nature to one previously constructed pursuant to the completed environmental assessment or environmental impact study in order to avoid unnecessary duplication of expense and effort, and any such authorized use shall meet all requirements of Federal law for the completion of such an assessment or study.

SEC. 519. PROTECTION OF EMPLOYEES PROVIDING AIR SAFETY INFORMATION.

(a) GENERAL RULE.—Chapter 421 of title 49, United States Code, is amended by adding at the end the following new subchapter:

''SUBCHAPTER III—WHISTLEBLOWER PROTECTION PROGRAM

''§ 42121. Protection of employees providing air safety information

''(a) DISCRIMINATION AGAINST AIRLINE EMPLOYEES.—No air carrier or contractor or subcontractor of an air carrier may discharge an employee of the air carrier or the contractor or subcontractor of an air carrier or otherwise discriminate against any such employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee)—

''(1) provided, caused to be provided, or is about to provide or cause to be provided to the Federal Government information relating to any violation or alleged violation of any order, regulation, or standard of the Federal Aviation Administration or any other provision of Federal law relating to air carrier safety under this subtitle or any other law of the United States;

''(2) has filed, caused to be filed, or is about to file or cause to be filed a proceeding relating to any violation or alleged violation of any order, regulation, or standard of the Federal Aviation Administration or any other provision of Federal law relating to air carrier safety under this subtitle or any other law of the United States;

''(3) testified or will testify in such a proceeding; or

''(4) assisted or participated or is about to assist or participate in such a proceeding.

''(b) DEPARTMENT OF LABOR COMPLAINT PROCEDURE.—

''(1) FILING AND NOTIFICATION.—

''(A) IN GENERAL.—In accordance with this paragraph, a person may file (or have a person file on behalf of that person) a complaint with the Secretary of Labor if that person believes that an air carrier or contractor or subcontractor of an air carrier discharged or otherwise discriminated against that person in violation of subsection (a).

''(B) REQUIREMENTS FOR FILING COMPLAINTS.—A complaint referred to in subparagraph (A) may be filed not later than 90 days after an alleged violation occurs. The complaint shall state the alleged violation.

''(C) NOTIFICATION.—Upon receipt of a complaint submitted under subparagraph (A), the Secretary of Labor shall notify the air carrier, contractor, or subcontractor named in the complaint and the Administrator of the Federal Aviation Administration of the—

''(i) filing of the complaint;

''(ii) allegations contained in the complaint;

''(iii) substance of evidence supporting the complaint; and

''(iv) opportunities that are afforded to the air carrier, contractor, or subcontractor under paragraph (2).

''(2) INVESTIGATION; PRELIMINARY ORDER.—

''(A) IN GENERAL.—

''(i) INVESTIGATION.—Not later than 60 days after receipt of a complaint filed under paragraph (1) and after affording the person named in the complaint an opportunity to submit to the Secretary of Labor a written response to the complaint and an opportunity to meet with a representative of the Secretary to present statements from witnesses, the Secretary of Labor shall conduct an investigation and determine whether there is reasonable cause to believe that the complaint has merit and notify in writing the complainant and the person alleged to have committed a violation of subsection (a) of the Secretary's findings.

''(ii) ORDER.—Except as provided in subparagraph (B), if the Secretary of Labor concludes that there is reasonable cause to believe that a violation of subsection (a) has occurred, the Secretary shall accompany the findings referred to in clause (i) with a preliminary order providing the relief prescribed under paragraph (3)(B).

''(iii) OBJECTIONS.—Not later than 30 days after the date of notification of findings under

this paragraph, the person alleged to have committed the violation or the complainant may file objections to the findings or preliminary order and request a hearing on the record.

''(iv) EFFECT OF FILING.—The filing of objections under clause (iii) shall not operate to stay any reinstatement remedy contained in the preliminary order.

''(v) HEARINGS.—Hearings conducted pursuant to a request made under clause (iii) shall be conducted expeditiously. If a hearing is not requested during the 30-day period prescribed in clause (iii), the preliminary order shall be deemed a final order that is not subject to judicial review.

''(B) REQUIREMENTS.—

''(i) REQUIRED SHOWING BY COMPLAINANT.—The Secretary of Labor shall dismiss a complaint filed under this subsection and shall not conduct an investigation otherwise required under subparagraph (A) unless the complainant makes a prima facie showing that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

''(ii) SHOWING BY EMPLOYER.—Notwithstanding a finding by the Secretary that the complainant has made the showing required under clause (i), no investigation otherwise required under subparagraph (A) shall be conducted if the employer demonstrates, by clear and convincing evidence, that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

''(iii) CRITERIA FOR DETERMINATION BY SECRETARY.—The Secretary may determine that a violation of subsection (a) has occurred only if the complainant demonstrates that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

''(iv) PROHIBITION.—Relief may not be ordered under subparagraph (A) if the employer demonstrates by clear and convincing evidence that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

''(3) FINAL ORDER.—

''(A) DEADLINE FOR ISSUANCE; SETTLEMENT AGREEMENTS.—

''(i) IN GENERAL.—Not later than 120 days after conclusion of a hearing under paragraph (2), the Secretary of Labor shall issue a final order that—

''(I) provides relief in accordance with this paragraph; or

''(II) denies the complaint.

''(ii) SETTLEMENT AGREEMENT.—At any time before issuance of a final order under this paragraph, a proceeding under this subsection may be terminated on the basis of a settlement agreement entered into by the Secretary of Labor, the complainant, and the air carrier, contractor, or subcontractor alleged to have committed the violation.

''(B) REMEDY.—If, in response to a complaint filed under paragraph (1), the Secretary of Labor determines that a violation of subsection (a) has occurred, the Secretary of Labor shall order the air carrier, contractor, or subcontractor that the Secretary of Labor determines to have committed the violation to—

''(i) take action to abate the violation;

''(ii) reinstate the complainant to the former position of the complainant and ensure the payment of compensation (including back pay) and the restoration of terms, conditions, and privileges associated with the employment; and

''(iii) provide compensatory damages to the complainant.

''(C) COSTS OF COMPLAINT.—If the Secretary of Labor issues a final order that provides for relief in accordance with this paragraph, the Secretary of Labor, at the request of the complainant, shall assess against the air carrier, contractor, or subcontractor named in the order an amount equal to the aggregate amount of all costs and expenses (including attorney and expert witness fees) reasonably incurred by the complainant (as determined by the Secretary of Labor) for, or in connection with, the bringing of the complaint that resulted in the issuance of the order.

''(D) FRIVOLOUS COMPLAINTS.—If the Secretary of Labor finds that a complaint brought under paragraph (1) is frivolous or was brought in bad faith, the Secretary of Labor may award to the prevailing employer a reasonable attorney fee in an amount not to exceed $5,000.

''(4) REVIEW.—

''(A) APPEAL TO COURT OF APPEALS.—

''(i) IN GENERAL.—Not later than 60 days after a final order is issued under paragraph (3), a person adversely affected or aggrieved by that order may obtain review of the order in the United States court of appeals for the circuit in which the violation allegedly occurred or the circuit in which the complainant resided on the date of that violation.

''(ii) REQUIREMENTS FOR JUDICIAL REVIEW.—A review conducted under this paragraph shall be conducted in accordance with chapter 7 of title 5. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the order that is the subject of the review.

''(B) LIMITATION ON COLLATERAL ATTACK.—An order referred to in subparagraph (A) shall not be subject to judicial review in any criminal or other civil proceeding.

''(5) ENFORCEMENT OF ORDER BY SECRETARY OF LABOR.—

''(A) IN GENERAL.—If an air carrier, contractor, or subcontractor named in an order issued under paragraph (3) fails to comply with the order, the Secretary of Labor may file a civil action in the United States district court for the district in which the violation occurred to enforce that order.

''(B) RELIEF.—In any action brought under this paragraph, the district court shall have jurisdiction to grant any appropriate form of relief, including injunctive relief and compensatory damages.

''(6) ENFORCEMENT OF ORDER BY PARTIES.—

''(A) COMMENCEMENT OF ACTION.—A person on whose behalf an order is issued under paragraph (3) may commence a civil action against the air carrier, contractor, or subcontractor named in the order to require compliance with the order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce the order.

''(B) ATTORNEY FEES.—In issuing any final order under this paragraph, the court may award costs of litigation (including reasonable attorney and expert witness fees) to any party if the court determines that the awarding of those costs is appropriate.

''(c) MANDAMUS.—Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of title 28.

''(d) NONAPPLICABILITY TO DELIBERATE VIOLATIONS.—Subsection (a) shall not apply with respect to an employee of an air carrier, or contractor or subcontractor of an air carrier who, acting without direction from the air carrier (or an agent, contractor, or subcontractor of the air carrier), deliberately causes a violation of any requirement relating to air carrier safety under this subtitle or any other law of the United States.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 421 of title 49, United States Code, is amended by adding at the end the following:

''SUBCHAPTER III—WHISTLEBLOWER PROTECTION PROGRAM

''42121. Protection of employees providing air safety information.''.

(c) CIVIL PENALTY.—Section 46301(a)(1)(A) of title 49, United States Code, is amended by striking ''subchapter II of chapter 421,'' and inserting ''subchapter II or III of chapter 421,''.

TITLE VI—AVIATION COMPETITION PROMOTION

SEC. 601. PURPOSE.

The purpose of this title is to facilitate, through a 4-year pilot program, incentives and projects that will help up to 40 communities or consortia of communities to improve their access to the essential airport facilities of the national air transportation system through public-private partnerships and to identify and establish ways to overcome the unique policy, economic, geographic, and marketplace factors that may inhibit the availability of quality, affordable air service to small communities.

SEC. 602. ESTABLISHMENT OF SMALL COMMUNITY AVIATION DEVELOPMENT PROGRAM.

Section 102 is amended by adding at the end thereof the following:

''(g) SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM.—

''(1) ESTABLISHMENT.—The Secretary shall establish a 4-year pilot aviation development program to be administered by a program director designated by the Secretary.

''(2) FUNCTIONS.—The program director shall—

''(A) function as a facilitator between small communities and air carriers;

''(B) carry out section 41743 of this title;

''(C) carry out the airline service restoration program under sections 41744, 41745, and 41746 of this title;

''(D) ensure that the Bureau of Transportation Statistics collects data on passenger information to assess the service needs of small communities;

''(E) work with and coordinate efforts with other Federal, State, and local agencies to increase the viability of service to small communities and the creation of aviation development zones; and

''(F) provide policy recommendations to the Secretary and the Congress that will ensure that small communities have access to quality, affordable air transportation services.

''(3) REPORTS.—The program director shall provide an annual report to the Secretary and the Congress beginning in 1999 that—

''(A) analyzes the availability of air transportation services in small communities, including, but not limited to, an assessment of the air fares charged for air transportation services in small communities compared to air fares charged for air transportation services in larger metropolitan areas and an assessment of the levels of service, measured by types of aircraft used, the availability of seats, and scheduling of flights, provided to small communities;

''(B) identifies the policy, economic, geographic and marketplace factors that inhibit the availability of quality, affordable air transportation services to small communities; and

''(C) provides policy recommendations to address the policy, economic, geographic, and marketplace factors inhibiting the availability of quality, affordable air transportation services to small communities.''.

SEC. 603. COMMUNITY-CARRIER AIR SERVICE PROGRAM.

(a) IN GENERAL.—Subchapter II is amended by adding at the end thereof the following:

''§ 41743. Air service program for small communities

''(a) COMMUNITIES PROGRAM.—Under advisory guidelines prescribed by the Secretary of Transportation, a small community or a consortia of small communities or a State may develop an assessment of its air service requirements, in such form as the program director designated by the Secretary under section 102(g) may require, and submit the assessment and service proposal to the program director.

''(b) SELECTION OF PARTICIPANTS.—In selecting community programs for participation in the

communities program under subsection (a), the program director shall apply criteria, including geographical diversity and the presentation of unique circumstances, that will demonstrate the feasibility of the program.

''(c) CARRIERS PROGRAM.—The program director shall invite part 121 air carriers and regional/commuter carriers (as such terms are defined in section 41715(d) of this title) to offer service proposals in response to, or in conjunction with, community aircraft service assessments submitted to the office under subsection (a). A service proposal under this paragraph shall include—

''(1) an assessment of potential daily passenger traffic, revenues, and costs necessary for the carrier to offer the service;

''(2) a forecast of the minimum percentage of that traffic the carrier would require the community to garner in order for the carrier to start up and maintain the service; and

''(3) the costs and benefits of providing jet service by regional or other jet aircraft.

''(d) PROGRAM SUPPORT FUNCTION.—The program director shall work with small communities and air carriers, taking into account their proposals and needs, to facilitate the initiation of service. The program director—

''(1) may work with communities to develop innovative means and incentives for the initiation of service;

''(2) may obligate funds appropriated under section 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 to carry out this section;

''(3) shall continue to work with both the carriers and the communities to develop a combination of community incentives and carrier service levels that—

''(A) are acceptable to communities and carriers; and

''(B) do not conflict with other Federal or State programs to facilitate air transportation to the communities;

''(4) designate an airport in the program as an Air Service Development Zone and work with the community on means to attract business to the area surrounding the airport, to develop land use options for the area, and provide data, working with the Department of Commerce and other agencies;

''(5) take such other action under this chapter as may be appropriate.

''(e) LIMITATIONS.—

''(1) COMMUNITY SUPPORT.—The program director may not provide financial assistance under subsection (c)(2) to any community unless the program director determines that—

''(A) a public-private partnership exists at the community level to carry out the community's proposal;

''(B) the community will make a substantial financial contribution that is appropriate for that community's resources, but of not less than 25 percent of the cost of the project in any event;

''(C) the community has established an open process for soliciting air service proposals; and

''(D) the community will accord similar benefits to air carriers that are similarly situated.

''(2) AMOUNT.—The program director may not obligate more than $30,000,000 of the amounts appropriated under 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 over the 4 years of the program.

''(3) NUMBER OF PARTICIPANTS.—The program established under subsection (a) shall not involve more than 40 communities or consortia of communities.

''(f) REPORT.—The program director shall report through the Secretary to the Congress annually on the progress made under this section during the preceding year in expanding commercial aviation service to smaller communities.

''§ 41744. Pilot program project authority

''(a) IN GENERAL.—The program director designated by the Secretary of Transportation under section 102(g)(1) shall establish a 4-year pilot program—

''(1) to assist communities and States with inadequate access to the national transportation system to improve their access to that system; and

''(2) to facilitate better air service link-ups to support the improved access.

''(b) PROJECT AUTHORITY.—Under the pilot program established pursuant to subsection (a), the program director may—

''(1) out of amounts appropriated under section 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, provide financial assistance by way of grants to small communities or consortia of small communities under section 41743 of up to $500,000 per year; and

''(2) take such other action as may be appropriate.

''(c) OTHER ACTION.—Under the pilot program established pursuant to subsection (a), the program director may facilitate service by—

''(1) working with airports and air carriers to ensure that appropriate facilities are made available at essential airports;

''(2) collecting data on air carrier service to small communities; and

''(3) providing policy recommendations to the Secretary to stimulate air service and competition to small communities.

''§ 41745. Assistance to communities for service

''(a) IN GENERAL.—Financial assistance provided under section 41743 during any fiscal year as part of the pilot program established under section 41744(a) shall be implemented for not more than—

''(1) 4 communities within any State at any given time; and

''(2) 40 communities in the entire program at any time.

For purposes of this subsection, a consortium of communities shall be treated as a single community.

''(b) ELIGIBILITY.—In order to participate in a pilot project under this subchapter, a State, community, or group of communities shall apply to the Secretary in such form and at such time, and shall supply such information, as the Secretary may require, and shall demonstrate to the satisfaction of the Secretary that—

''(1) the applicant has an identifiable need for access, or improved access, to the national air transportation system that would benefit the public;

''(2) the pilot project will provide material benefits to a broad section of the travelling public, businesses, educational institutions, and other enterprises whose access to the national air transportation system is limited;

''(3) the pilot project will not impede competition; and

''(4) the applicant has established, or will establish, public-private partnerships in connection with the pilot project to facilitate service to the public.

''(c) COORDINATION WITH OTHER PROVISIONS OF SUBCHAPTER.—The Secretary shall carry out the 4-year pilot program authorized by this subchapter in such a manner as to complement action taken under the other provisions of this subchapter. To the extent the Secretary determines to be appropriate, the Secretary may adopt criteria for implementation of the 4-year pilot program that are the same as, or similar to, the criteria developed under the preceding sections of this subchapter for determining which airports are eligible under those sections. The Secretary shall also, to the extent possible, provide incentives where no direct, viable, and feasible alternative service exists, taking into account geographical diversity and appropriate market definitions.

''(d) MAXIMIZATION OF PARTICIPATION.—The Secretary shall structure the program established pursuant to section 41744(a) in a way designed to—

''(1) permit the participation of the maximum feasible number of communities and States over a 4-year period by limiting the number of years of participation or otherwise; and

''(2) obtain the greatest possible leverage from the financial resources available to the Secretary and the applicant by—

''(A) progressively decreasing, on a project-by-project basis, any Federal financial incentives provided under this chapter over the 4-year period; and

''(B) terminating as early as feasible Federal financial incentives for any project determined by the Secretary after its implementation to be—

''(i) viable without further support under this subchapter; or

''(ii) failing to meet the purposes of this chapter or criteria established by the Secretary under the pilot program.

''(e) SUCCESS BONUS.—If Federal financial incentives to a community are terminated under subsection (d)(2)(B) because of the success of the program in that community, then that community may receive a one-time incentive grant to ensure the continued success of that program.

''(f) PROGRAM TO TERMINATE IN 4 YEARS.—No new financial assistance may be provided under this subchapter for any fiscal year beginning more than 4 years after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

''§ 41746. Additional authority

''In carrying out this chapter, the Secretary—

''(1) may provide assistance to States and communities in the design and application phase of any project under this chapter, and oversee the implementation of any such project;

''(2) may assist States and communities in putting together projects under this chapter to utilize private sector resources, other Federal resources, or a combination of public and private resources;

''(3) may accord priority to service by jet aircraft;

''(4) take such action as may be necessary to ensure that financial resources, facilities, and administrative arrangements made under this chapter are used to carry out the purposes of title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998; and

''(5) shall work with the Federal Aviation Administration on airport and air traffic control needs of communities in the program.

''§ 41747. Air traffic control services pilot program

''(a) IN GENERAL.—To further facilitate the use of, and improve the safety at, small airports, the Administrator of the Federal Aviation Administration shall establish a pilot program to contract for Level I air traffic control services at 20 facilities not eligible for participation in the Federal Contract Tower Program.

''(b) PROGRAM COMPONENTS.—In carrying out the pilot program established under subsection (a), the Administrator may—

''(1) utilize current, actual, site-specific data, forecast estimates, or airport system plan data provided by a facility owner or operator;

''(2) take into consideration unique aviation safety, weather, strategic national interest, disaster relief, medical and other emergency management relief services, status of regional airline service, and related factors at the facility;

''(3) approve for participation any facility willing to fund a pro rata share of the operating costs used by the Federal Aviation Administration to calculate, and, as necessary, a 1:1 benefit-to-cost ratio, as required for eligibility under the Federal Contract Tower Program; and

''(4) approve for participation no more than 3 facilities willing to fund a pro rata share of construction costs for an air traffic control tower so as to achieve, at a minimum, a 1:1 benefit-to-cost ratio, as required for eligibility under the Federal Contract Tower Program, and for each of such facilities the Federal share of construction costs does not exceed $1,000,000.

''(c) REPORT.—One year before the pilot program established under subsection (a) terminates, the Administrator shall report to the Congress on the effectiveness of the program, with particular emphasis on the safety and economic benefits provided to program participants and the national air transportation system.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 is amended by inserting after the item relating to section 41742 the following:

''41743. Air service program for small communities.
''41744. Pilot program project authority.
''41745. Assistance to communities for service.
''41746. Additional authority.
''41747. Air traffic control services pilot program.''.

(c) WAIVER OF LOCAL CONTRIBUTION.—Section 41736(b) is amended by inserting after paragraph (4) the following:

''Paragraph (4) does not apply to any community approved for service under this section during the period beginning October 1, 1991, and ending December 31, 1997.''.

SEC. 604. AUTHORIZATION OF APPROPRIATIONS.

To carry out sections 41743 through 41746 of title 49, United States Code, for the 4 fiscal year period beginning with fiscal year 1999, there are authorized to be appropriated to the Secretary of Transportation not more than $10,000,000. To carry out such sections for the 4 fiscal year period beginning with fiscal year 1999, not more than $20,000,000 shall be made available to the Secretary for obligation and expenditure out of the account established under section 45303(a) in addition to the amounts authorized to be appropriated under the preceding sentence.

SEC. 605. MARKETING PRACTICES.

Section 41712 is amended by—

(1) inserting ''(a) IN GENERAL.—'' before ''On''; and

(2) adding at the end thereof the following:

''(b) MARKETING PRACTICES THAT ADVERSELY AFFECT SERVICE TO SMALL OR MEDIUM COMMUNITIES.—Within 180 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, the Secretary shall review the marketing practices of air carriers that may inhibit the availability of quality, affordable air transportation services to small and medium-sized communities, including—

''(1) marketing arrangements between airlines and travel agents;

''(2) code-sharing partnerships;

''(3) computer reservation system displays;

''(4) gate arrangements at airports;

''(5) exclusive dealing arrangments; and

''(6) any other marketing practice that may have the same effect.

''(c) REGULATIONS.—If the Secretary finds, after conducting the review required by subsection (b), that marketing practices inhibit the availability of such service to such communities, then, after public notice and an opportunity for comment, the Secretary shall promulgate regulations that address the problem.''.

SEC. 606. SLOT EXEMPTIONS FOR NONSTOP REGIONAL JET SERVICE.

(a) IN GENERAL.—Section 41714 is amended by adding at the end thereof the following:

''(j) SLOTS FOR NONSTOP JET SERVICE EXEMPTION.—

''(1) IN GENERAL.—Within 90 days after receiving an application for an exemption to provide nonstop regional jet air service between—

''(A) an airport that is smaller than a large hub airport (as defined in section 47134(d)(2)); and

''(B) a high density airport subject to the exemption authority under subsection (a),

the Secretary shall grant or deny the exemption in accordance with established principles of safety and the promotion of competition.

''(2) EXISTING SLOTS TAKEN INTO ACCOUNT.—In deciding to grant or deny the exemption, the Secretary may take into consideration the slots already used by the applicant.

''(3) CONDITIONS.—The Secretary may grant an exemption to an air carrier under paragraph (1)—

''(A) for a period of not less than 12 months;

''(B) for a minimum of 2 daily roundtrip flights; and

''(C) for a maximum of 3 daily roundtrip flights.

''(4) CHANGE OF NONHUB, SMALL HUB, OR MEDIUM HUB AIRPORT; JET AIRCRAFT.—The Secretary may, upon application made by an air carrier operating under an exemption granted under paragraph (1)—

''(A) authorize the air carrier to upgrade its service under the exemption to a larger jet aircraft; and

''(B) authorize an air carrier operating under such an exemption to change the nonhub airport or small hub airport for which the exemption was granted to provide the same service to a different airport that is smaller than a large hub airport (as defined in section 47134(d)(2)) if—

''(i) the air carrier has been operating under the exemption for a period of not less than 12 months; and

''(ii) the air carrier can demonstrate unmitigatable losses.

''(5) FOREFEITURE FOR MISUSE.—Any exemption granted under paragraph (1) shall be terminated immediately by the Secretary if the air carrier to which it was granted uses the slot for any purpose other than the purpose for which it was granted or in violation of the conditions under which it was granted.

''(6) RESTORATION OF AIR SERVICE.—To the extent that—

''(A) slots were withdrawn from an air carrier under subsection (b) of this section;

''(B) the withdrawal of slots under that subsection resulted in a net loss of slots; and

''(C) the net loss of slots resulting from the withdrawal had an adverse effect on service to nonhub airports and in other domestic markets,

the Secretary shall give priority consideration to the request of any air carrier from which slots were withdrawn under that section for an equivalent number of slots at the airport where the slots were withdrawn.

''(7) PRIORITY TO NEW ENTRANTS AND LIMITED INCUMBENT CARRIERS.—In assigning slots under this subsection the Secretary shall, in conjunction with paragraph (5), give priority consideration to an application from an air carrier that, as of July 1, 1998, held fewer than 20 slots at the high density airport for which it filed an exemption application.''.

(b) DEFINITIONS.—Subsection (h) of section 41714 is amended by—

(1) by striking ''The term'' in paragraph (1) and inserting ''Except as provided in paragraph (5), the term''; and

(2) adding at the end thereof the following:

''(5) NONSTOP JET EXEMPTION DEFINITIONS.—Any term used in subsection (j) that is defined in section 41762 has the meaning given that term by section 41762.''.

(c) SLOT WITHDRAWAL NOT TO AFFECT NONHUB SERVICE.—Section 41714, as amended by subsection (a), is amended by adding at the end thereof the following:

''(k) SLOT WITHDRAWAL MAY NOT AFFECT NONHUB SERVICE.—The Secretary may not withdraw a slot from a United States air carrier under this section in order to provide a slot to a foreign air carrier for purposes of international air transportation unless the Secretary finds that—

''(1) the withdrawal of that slot from the United States air carrier will not adversely affect air service to nonhub airports; and

''(2) United States air carriers seeking slots for purposes of international air transportation at an airport in the home country of that foreign air carrier receive reciprocal treatment by the government of that country.''.

SEC. 607. SECRETARY SHALL GRANT EXEMPTIONS TO PERIMETER RULE.

(a) IN GENERAL.—Section 41714(d) is amended by adding at the end thereof the following:

''(3) BEYOND-PERIMETER EXEMPTIONS.—The Secretary of Transportation shall by order grant exemptions from the application of sections 49109 and 49111(e) to air carriers to operate limited frequencies and aircraft on select routes between Ronald Reagan Washington National Airport and domestic hub airports of such carriers and exemptions from the requirements of subparts K and S of part 93, Code of Federal Regulations, if the Secretary finds that the exemptions will—

''(A) provide air transportation service with domestic network benefits in areas beyond the perimeter described in that section; and

''(B) increase competition in multiple markets.

''(4) WITHIN-PERIMETER EXEMPTIONS.—The Secretary of Transportation shall by order grant exemptions from the requirements of section 49111(e) and subparts K and S of part 93 of title 14, Code of Federal Regulations, to commuter air carriers for service to airports smaller than large hub airports (as defined in section 47134(d)(2)) within the perimeter established for civil aircraft operations at Ronald Reagan Washington National Airport. The Secretary shall develop criteria for distributing slots for flights within the perimeter to airports other than large hubs under this paragraph in a manner consistent with the promotion of air transportation.

''(5) LIMITATIONS.—

''(A) AIRCRAFT.—An exemption granted under paragraph (3) or (4) may not be granted with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

''(B) NUMBER AND TYPE OF OPERATIONS.—The Secretary shall grant exemptions under paragraph (3) and (4) that—

''(i) will result in 12 new daily air carrier slots at such airport for long-haul service beyond the perimeter;

''(ii) will result in 12 new daily commuter slots at such airport; and

''(iii) will not result in new daily commuter slots for service to any within-the-perimeter airport that is not smaller than a large hub airport (as defined in section 47134(d)(2)).

''(C) HOURS OF OPERATION.—In granting exemptions under paragraphs (3) and (4), the Secretary shall distribute the 24 new daily slots fairly evenly across the hours between 7:00 a.m. and 9:59 p.m., so that—

''(i) not more than 2 slots per hour shall be added during 9 of the hours beginning during that period; and

''(ii) 1 slot per hour shall be added during 6 of the hours beginning during that period.

''(6) PROTECTION OF INCUMBENT CARRIERS.—An exemption granted under paragraph (3) or (4) may not result in the withdrawal of a slot from any incumbent air carrier at that airport.

''(7) REVIEW OF SAFETY, ENVIRONMENTAL, AND NOISE IMPACT.—The Secretary—

''(A) shall assess the impact of granting exemptions under paragraphs (3) and (4) on the environment (including noise levels) and safety during the first 90 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998; and

''(B) may not grant an exemption under paragraph (3) or (4) or issue the additional slots during that 90-day period unless the Secretary has conducted such an assessment.''.

(b) REPORT.—Within 1 year after the date of enactment of this Act, and biannually thereafter, the Secretary shall certify to the United States Senate Committee on Commerce, Science, and Transportation, the United States House of Representatives Committee on Transportation and Infrastructure, and the Governments of Maryland and Virginia that noise standards, air traffic congestion, airport-related vehicular congestion, safety standards, and adequate air

service to communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code, have been maintained at appropriate levels.

SEC. 608. ADDITIONAL SLOTS AT CHICAGO'S O'HARE AIRPORT.

(a) IN GENERAL.—The Secretary of Transportation may grant 100 additional slots under section 41714 of title 49, United States Code, over a 3-year period to air carriers to operate limited frequencies and aircraft on select routes between O'Hare Airport in Chicago, Illinois, and other airports if the Secretary—

(1) first converts unused military slots at that airport to air carrier slots;

(2) before granting the additional slots, finds that the additional capacity—

(A) is available; and

(B) can be used safely;

(3) before granting the additional slots, conducts an environmental review; and

(4) limits the use of the additional slots to Stage 3 aircraft (as defined by the Secretary).

(b) CERTAIN TITLE 49 DEFINITIONS APPLY.—Any term used in this section that is defined in chapter 417 of title 49, United States Code, has the meaning given that term in that chapter.

SEC. 609. CONSUMER NOTIFICATION OF E-TICKET EXPIRATION DATES.

Section 41712, as amended by section 605 of this Act, is amended by adding at the end thereof the following:

''(d) E-TICKET EXPIRATION NOTICE.—It shall be an unfair or deceptive practice under subsection (a) for any air carrier utilizing electronically transmitted tickets to fail to notify the purchaser of such a ticket of its expiration date, if any.''.

SEC. 610. JOINT VENTURE AGREEMENTS.

(a) IN GENERAL.—Subchapter I of chapter 417 is amended by adding at the end the following:

''§ 41716. Joint venture agreements

''(a) DEFINITIONS.—In this section—

''(1) JOINT VENTURE AGREEMENT.—The term 'joint venture agreement' means an agreement entered into by a major air carrier on or after January 1, 1998, with regard to (A) code-sharing, blocked-space arrangements, long-term wet leases (as defined in section 207.1 of title 14, Code of Federal Regulations) of a substantial number (as defined by the Secretary by regulation) of aircraft, or frequent flyer programs, or (B) any other cooperative working arrangement (as defined by the Secretary by regulation) between 2 or more major air carriers that affects more than 15 percent of the total number of available seat miles offered by the major air carriers.

''(2) MAJOR AIR CARRIER.—The term 'major air carrier' means a passenger air carrier that is certificated under chapter 411 of this title and included in Carrier Group III under criteria contained in section 04 of part 241 of title 14, Code of Federal Regulations.

''(b) SUBMISSION OF JOINT VENTURE AGREEMENT.—At least 30 days before a joint venture agreement may take effect, each of the major air carriers that entered into the agreement shall submit to the Secretary—

''(1) a complete copy of the joint venture agreement and all related agreements; and

''(2) other information and documentary material that the Secretary may require by regulation.

''(c) EXTENSION OF WAITING PERIOD.—

''(1) IN GENERAL.—The Secretary may extend the 30-day period referred to in subsection (b) until—

''(A) in the case of a joint venture agreement with regard to code-sharing, the 150th day following the last day of such period; and

''(B) in the case of any other joint venture agreement, the 60th day following the last day of such period.

''(2) PUBLICATION OF REASONS FOR EXTENSION.—If the Secretary extends the 30-day period referred to in subsection (b), the Secretary shall publish in the Federal Register the reasons of the Secretary for making the extension.

''(d) TERMINATION OF WAITING PERIOD.—At any time after the date of submission of a joint venture agreement under subsection (b), the Secretary may terminate the waiting periods referred to in subsections (b) and (c) with respect to the agreement.

''(e) REGULATIONS.—The effectiveness of a joint venture agreement may not be delayed due to any failure of the Secretary to issue regulations to carry out this subsection.

''(f) MEMORANDUM TO PREVENT DUPLICATIVE REVIEWS.—Promptly after the date of enactment of this section, the Secretary shall consult with the Assistant Attorney General of the Antitrust Division of the Department of Justice in order to establish, through a written memorandum of understanding, preclearance procedures to prevent unnecessary duplication of effort by the Secretary and the Assistant Attorney General under this section and the United States antitrust laws, respectively.

''(g) PRIOR AGREEMENTS.—With respect to a joint venture agreement entered into before the date of enactment of this section as to which the Secretary finds that—

''(1) the parties have submitted the agreement to the Secretary before such date of enactment; and

''(2) the parties have submitted any information on the agreement requested by the Secretary,

the waiting period described in paragraphs (2) and (3) shall begin on the date, as determined by the Secretary, on which all such information was submitted and end on the last day to which the period could be extended under this section.

''(h) LIMITATION ON STATUTORY CONSTRUCTION.—The authority granted to the Secretary under this subsection shall not in any way limit the authority of the Attorney General to enforce the antitrust laws as defined in the first section of the Clayton Act (15 U.S.C. 12).''.

(b) CONFORMING AMENDMENT.—The analysis for subchapter I of such chapter is amended by adding at the end the following:

''41716. Joint venture agreements.''.

SEC. 611. REGIONAL AIR SERVICE INCENTIVE OPTIONS.

(a) PURPOSE.—The purpose of this section is to provide the Congress with an analysis of means to improve service by jet aircraft to underserved markets by authorizing a review of different programs of Federal financial assistance, including loan guarantees like those that would have been provided for by section 2 of S. 1353, 105th Congress, as introduced, to commuter air carriers that would purchase regional jet aircraft for use in serving those markets.

(b) STUDY.—The Secretary of Transportation shall study the efficacy of a program of Federal loan guarantees for the purchase of regional jets by commuter air carriers. The Secretary shall include in the study a review of options for funding, including alternatives to Federal funding. In the study, the Secretary shall analyze—

(1) the need for such a program;

(2) its potential benefit to small communities;

(3) the trade implications of such a program;

(4) market implications of such a program for the sale of regional jets;

(5) the types of markets that would benefit the most from such a program;

(6) the competititve implications of such a program; and

(7) the cost of such a program.

(c) REPORT.—The Secretary shall submit a report of the results of the study to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure not later than 24 months after the date of enactment of this Act.

SEC. 612. GAO STUDY OF RURAL AIR TRANSPORTATION NEEDS.

The General Accounting Office, in conjunction with the Federal Aviation Administration, shall conduct a study of the effectiveness of the national air transportation system and its ability to meet the air transportation needs of the United States over the next 15 years. The study shall include airports located in remote communities and reliever airports, and shall assess the effectiveness of the system by reference to criteria that include whether, under the system, each resident of the United States is within a 1-hour drive on primary roads of an airport that has at least one runway of at least 5,500 feet in length at sea-level, or the equivalent altitude-adjusted length.

TITLE VII—NATIONAL PARKS OVERFLIGHTS

SEC. 701. FINDINGS.

The Congress finds that—

(1) the Federal Aviation Administration has sole authority to control airspace over the United States;

(2) the Federal Aviation Administration has the authority to preserve, protect, and enhance the environment by minimizing, mitigating, or preventing the adverse effects of aircraft overflights on the public and tribal lands;

(3) the National Park Service has the responsibility of conserving the scenery and natural and historic objects and wildlife in national parks and of providing for the enjoyment of the national parks in ways that leave the national parks unimpaired for future generations;

(4) the protection of tribal lands from aircraft overflights is consistent with protecting the public health and welfare and is essential to the maintenance of the natural and cultural resources of Indian tribes;

(5) the National Parks Overflights Working Group, composed of general aviation, air tour, environmental, and Native American representatives, recommended that the Congress enact legislation based on its consensus work product; and

(6) this title reflects the recommendations made by that Group.

SEC. 702. AIR TOUR MANAGEMENT PLANS FOR NATIONAL PARKS.

(a) IN GENERAL.—Chapter 401, as amended by section 301 of this Act, is amended by adding at the end the following:

''§ 40126. Overflights of national parks

''(a) IN GENERAL.—

''(1) GENERAL REQUIREMENTS.—A commercial air tour operator may not conduct commercial air tour operations over a national park or tribal lands except—

''(A) in accordance with this section;

''(B) in accordance with conditions and limitations prescribed for that operator by the Administrator; and

''(C) in accordance with any effective air tour management plan for that park or those tribal lands.

''(2) APPLICATION FOR OPERATING AUTHORITY.—

''(A) APPLICATION REQUIRED.—Before commencing commercial air tour operations over a national park or tribal lands, a commercial air tour operator shall apply to the Administrator for authority to conduct the operations over that park or those tribal lands.

''(B) COMPETITIVE BIDDING FOR LIMITED CAPACITY PARKS.—Whenever a commercial air tour management plan limits the number of commercial air tour flights over a national park area during a specified time frame, the Administrator, in cooperation with the Director, shall authorize commercial air tour operators to provide such service. The authorization shall specify such terms and conditions as the Administrator and the Director find necessary for management of commercial air tour operations over the national park. The Administrator, in cooperation with the Director, shall develop an open competitive process for evaluating proposals from persons interested in providing commercial air tour services over the national park. In

making a selection from among various proposals submitted, the Administrator, in cooperation with the Director, shall consider relevant factors, including—

''(i) the safety record of the company or pilots;

''(ii) any quiet aircraft technology proposed for use;

''(iii) the experience in commercial air tour operations over other national parks or scenic areas;

''(iv) the financial capability of the company;

''(v) any training programs for pilots; and

''(vi) responsiveness to any criteria developed by the National Park Service or the affected national park.

''(C) NUMBER OF OPERATIONS AUTHORIZED.—In determining the number of authorizations to issue to provide commercial air tour service over a national park, the Administrator, in cooperation with the Director, shall take into consideration the provisions of the air tour management plan, the number of existing commercial air tour operators and current level of service and equipment provided by any such companies, and the financial viability of each commercial air tour operation.

''(D) COOPERATION WITH NPS.—Before granting an application under this paragraph, the Administrator shall, in cooperation with the Director, develop an air tour management plan in accordance with subsection (b) and implement such plan.

''(E) TIME LIMIT ON RESPONSE TO ATMP APPLICATIONS.—The Administrator shall act on any such application and issue a decision on the application not later than 24 months after it is received or amended.

''(3) EXCEPTION.—Notwithstanding paragraph (1), commercial air tour operators may conduct commercial air tour operations over a national park under part 91 of the Federal Aviation Regulations (14 CFR 91.1 et seq.) if—

''(A) such activity is permitted under part 119 (14 CFR 119.1(e)(2));

''(B) the operator secures a letter of agreement from the Administrator and the national park superintendent for that national park describing the conditions under which the flight operations will be conducted; and

''(C) the total number of operations under this exception is limited to not more than 5 flights in any 30-day period over a particular park.

''(4) SPECIAL RULE FOR SAFETY REQUIREMENTS.—Notwithstanding subsection (c), an existing commercial air tour operator shall, not later than 90 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, apply for operating authority under part 119, 121, or 135 of the Federal Aviation Regulations (14 CFR Pt. 119, 121, or 135). A new entrant commercial air tour operator shall apply for such authority before conducting commercial air tour operations over a national park or tribal lands.

''(b) AIR TOUR MANAGEMENT PLANS.—

''(1) ESTABLISHMENT OF ATMPS.—

''(A) IN GENERAL.—The Administrator shall, in cooperation with the Director, establish an air tour management plan for any national park or tribal land for which such a plan is not already in effect whenever a person applies for authority to operate a commercial air tour over the park. The development of the air tour management plan is to be a cooperative undertaking between the Federal Aviation Administration and the National Park Service. The air tour management plan shall be developed by means of a public process, and the agencies shall develop information and analysis that explains the conclusions that the agencies make in the application of the respective criteria. Such explanations shall be included in the Record of Decision and may be subject to judicial review.

''(B) OBJECTIVE.—The objective of any air tour management plan shall be to develop acceptable and effective measures to mitigate or prevent the significant adverse impacts, if any, of commercial air tours upon the natural and cultural resources and visitor experiences and tribal lands.

''(2) ENVIRONMENTAL DETERMINATION.—In establishing an air tour management plan under this subsection, the Administrator and the Director shall each sign the environmental decision document required by section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) which may include a finding of no significant impact, an environmental assessment, or an environmental impact statement, and the Record of Decision for the air tour management plan.

''(3) CONTENTS.—An air tour management plan for a national park—

''(A) may prohibit commercial air tour operations in whole or in part;

''(B) may establish conditions for the conduct of commercial air tour operations, including commercial air tour routes, maximum or minimum altitudes, time-of-day restrictions, restrictions for particular events, maximum number of flights per unit of time, intrusions on privacy on tribal lands, and mitigation of noise, visual, or other impacts;

''(C) shall apply to all commercial air tours within ½ mile outside the boundary of a national park;

''(D) shall include incentives (such as preferred commercial air tour routes and altitudes, relief from caps and curfews) for the adoption of quiet aircraft technology by commercial air tour operators conducting commercial air tour operations at the park;

''(E) shall provide for the initial allocation of opportunities to conduct commercial air tours if the plan includes a limitation on the number of commercial air tour flights for any time period; and

''(F) shall justify and document the need for measures taken pursuant to subparagraphs (A) through (E).

''(4) PROCEDURE.—In establishing a commercial air tour management plan for a national park, the Administrator and the Director shall—

''(A) initiate at least one public meeting with interested parties to develop a commercial air tour management plan for the park;

''(B) publish the proposed plan in the Federal Register for notice and comment and make copies of the proposed plan available to the public;

''(C) comply with the regulations set forth in sections 1501.3 and 1501.5 through 1501.8 of title 40, Code of Federal Regulations (for purposes of complying with those regulations, the Federal Aviation Administration is the lead agency and the National Park Service is a cooperating agency); and

''(D) solicit the participation of any Indian tribe whose tribal lands are, or may be, overflown by aircraft involved in commercial air tour operations over a national park or tribal lands, as a cooperating agency under the regulations referred to in paragraph (4)(C).

''(5) AMENDMENTS.—Any amendment of an air tour management plan shall be published in the Federal Register for notice and comment. A request for amendment of an air tour management plan shall be made in such form and manner as the Administrator may prescribe.

''(c) INTERIM OPERATING AUTHORITY.—

''(1) IN GENERAL.—Upon application for operating authority, the Administrator shall grant interim operating authority under this paragraph to a commercial air tour operator for a national park or tribal lands for which the operator is an existing commercial air tour operator.

''(2) REQUIREMENTS AND LIMITATIONS.—Interim operating authority granted under this subsection—

''(A) shall provide annual authorization only for the greater of—

''(i) the number of flights used by the operator to provide such tours within the 12-month period prior to the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998; or

''(ii) the average number of flights per 12-month period used by the operator to provide such tours within the 36-month period prior to such date of enactment, and, for seasonal operations, the number of flights so used during the season or seasons covered by that 12-month period;

''(B) may not provide for an increase in the number of operations conducted during any time period by the commercial air tour operator to which it is granted unless the increase is agreed to by the Administrator and the Director;

''(C) shall be published in the Federal Register to provide notice and opportunity for comment;

''(D) may be revoked by the Administrator for cause;

''(E) shall terminate 180 days after the date on which an air tour management plan is established for that park or those tribal lands; and

''(F) shall—

''(i) promote protection of national park resources, visitor experiences, and tribal lands;

''(ii) promote safe operations of the commercial air tour;

''(iii) promote the adoption of quiet technology, as appropriate; and

''(iv) allow for modifications of the operation based on experience if the modification improves protection of national park resources and values and of tribal lands.

''(3) NEW ENTRANT AIR TOUR OPERATORS.—

''(A) IN GENERAL.—The Administrator, in cooperation with the Director, may grant interim operating authority under this paragraph to an air tour operator for a national park for which that operator is a new entrant air tour operator if the Administrator determines the authority is necessary to ensure competition in the provision of commercial air tours over that national park or those tribal lands.

''(B) SAFETY LIMITATION.—The Administrator may not grant interim operating authority under subparagraph (A) if the Administrator determines that it would create a safety problem at that park or on tribal lands, or the Director determines that it would create a noise problem at that park or on tribal lands.

''(C) ATMP LIMITATION.—The Administrator may grant interim operating authority under subparagraph (A) of this paragraph only if the air tour management plan for the park or tribal lands to which the application relates has not been developed within 24 months after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

''(d) DEFINITIONS.—In this section, the following definitions apply:

''(1) COMMERCIAL AIR TOUR.—The term 'commercial air tour' means any flight conducted for compensation or hire in a powered aircraft where a purpose of the flight is sightseeing. If the operator of a flight asserts that the flight is not a commercial air tour, factors that can be considered by the Administrator in making a determination of whether the flight is a commercial air tour, include, but are not limited to—

''(A) whether there was a holding out to the public of willingness to conduct a sightseeing flight for compensation or hire;

''(B) whether a narrative was provided that referred to areas or points of interest on the surface;

''(C) the area of operation;

''(D) the frequency of flights;

''(E) the route of flight;

''(F) the inclusion of sightseeing flights as part of any travel arrangement package; or

''(G) whether the flight or flights in question would or would not have been canceled based on poor visibility of the surface.

''(2) COMMERCIAL AIR TOUR OPERATOR.—The term 'commercial air tour operator' means any person who conducts a commercial air tour.

''(3) EXISTING COMMERCIAL AIR TOUR OPERATOR.—The term 'existing commercial air tour operator' means a commercial air tour operator that was actively engaged in the business of providing commercial air tours over a national park at any time during the 12-month period

ending on the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

''(4) NEW ENTRANT COMMERCIAL AIR TOUR OPERATOR.—The term 'new entrant commercial air tour operator' means a commercial air tour operator that—

''(A) applies for operating authority as a commercial air tour operator for a national park; and

''(B) has not engaged in the business of providing commercial air tours over that national park or those tribal lands in the 12-month period preceding the application.

''(5) COMMERCIAL AIR TOUR OPERATIONS.—The term 'commercial air tour operations' means commercial air tour flight operations conducted—

''(A) over a national park or within ½ mile outside the boundary of any national park;

''(B) below a minimum altitude, determined by the Administrator in cooperation with the Director, above ground level (except solely for purposes of takeoff or landing, or necessary for safe operation of an aircraft as determined under the rules and regulations of the Federal Aviation Administration requiring the pilot-in-command to take action to ensure the safe operation of the aircraft); and

''(C) less than 1 mile laterally from any geographic feature within the park (unless more than ½ mile outside the boundary).

''(6) NATIONAL PARK.—The term 'national park' means any unit of the National Park System.

''(7) TRIBAL LANDS.—The term 'tribal lands' means 'Indian country', as defined by section 1151 of title 18, United States Code, that is within or abutting a national park.

''(8) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Federal Aviation Administration.

''(9) DIRECTOR.—The term 'Director' means the Director of the National Park Service.''.

(b) EXEMPTIONS.—

(1) GRAND CANYON.—Section 40125 of title 49, United States Code, as added by subsection (a), does not apply to—

(A) the Grand Canyon National Park; or

(B) Indian country within or abutting the Grand Canyon National Park.

(2) ALASKA.—The provisions of this title and section 40125 of title 49, United States Code, as added by subsection (a), do not apply to any land or waters located in Alaska.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 401 is amended by adding at the end thereof the following:

''40126. Overflights of national parks.''.

SEC. 703. ADVISORY GROUP.

(a) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Federal Aviation Administration and the Director of the National Park Service shall jointly establish an advisory group to provide continuing advice and counsel with respect to the operation of commercial air tours over and near national parks.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The advisory group shall be composed of—

(A) a balanced group of —

(i) representatives of general aviation;

(ii) representatives of commercial air tour operators;

(iii) representatives of environmental concerns; and

(iv) representatives of Indian tribes;

(B) a representative of the Federal Aviation Administration; and

(C) a representative of the National Park Service.

(2) EX-OFFICIO MEMBERS.—The Administrator and the Director shall serve as ex-officio members.

(3) CHAIRPERSON.—The representative of the Federal Aviation Administration and the representative of the National Park Service shall serve alternating 1-year terms as chairman of the advisory group, with the representative of the Federal Aviation Administration serving initially until the end of the calendar year following the year in which the advisory group is first appointed.

(c) DUTIES.—The advisory group shall provide advice, information, and recommendations to the Administrator and the Director—

(1) on the implementation of this title;

(2) on the designation of commonly accepted quiet aircraft technology for use in commercial air tours of national parks or tribal lands, which will receive preferential treatment in a given air tour management plan;

(3) on other measures that might be taken to accommodate the interests of visitors to national parks; and

(4) on such other national park or tribal lands-related safety, environmental, and air touring issues as the Administrator and the Director may request.

(d) COMPENSATION; SUPPORT; FACA.—

(1) COMPENSATION AND TRAVEL.—Members of the advisory group who are not officers or employees of the United States, while attending conferences or meetings of the group or otherwise engaged in its business, or while serving away from their homes or regular places of business, each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(2) ADMINISTRATIVE SUPPORT.—The Federal Aviation Administration and the National Park Service shall jointly furnish to the advisory group clerical and other assistance.

(3) NONAPPLICATION OF FACA.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) does not apply to the advisory group.

(e) REPORT.—The Administrator and the Director shall jointly report to the Congress within 24 months after the date of enactment of this Act on the success of this title in providing incentives for quiet aircraft technology.

SEC. 704. OVERFLIGHT FEE REPORT.

Not later than 180 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall transmit to Congress a report on the effects proposed overflight fees are likely to have on the commercial air tour industry. The report shall include, but shall not be limited to—

(1) the viability of a tax credit for the commercial air tour operators equal to the amount of the proposed fee charged by the National Park Service; and

(2) the financial effects proposed offsets are likely to have on Federal Aviation Administration budgets and appropriations.

TITLE VIII—AVIATION TRUST FUND AMENDMENTS

SEC. 801. AMENDMENTS TO THE AIRPORT AND AIRWAY TRUST FUND.

Section 9502(d)(1) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

(1) by striking ''1998,'' and inserting ''2002,''; and

(2) by striking ''1996;'' in subparagraph (A) and inserting ''1996, or the Wendell H. Ford National Air Transportation System Improvement Act of 1998;''.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Madam President, since Senator FORD is not here yet, I will not ask for a unanimous consent agreement because I believe he would object at this time. But what I do want to do is go over the pending amendments, as I know what they are, and urge my colleagues to call in within the next half hour or come over with any amendments they may have to this bill so that we can get a unanimous consent agreement narrowed down on the amendments to the bill.

The amendments that I now understand would be pending are: McCain-Ford amendment, which is a managers' amendment, which is 10 minutes equally divided; a McCain amendment, which is relevant, 5 minutes equally divided; a Hollings amendment, relevant, 5 minutes equally divided; a Gorton, relevant amendment, 5 minutes equally divided; a Ford amendment, relevant, 5 minutes equally divided; a Bingaman amendment, overflights, bolster Native Americans' role, 30 minutes equally divided; DeWine sense of Senate, 10 minutes equally divided; Dorgan, regional jet tax incentives, 2 hours equally divided; Dorgan, mandatory interline and joint fair agreements, 2 hours equally divided; Faircloth, sense of the Senate, 5 minutes equally divided; Inhofe, FAA emergency revocation power, 10 minutes equally divided; Mikulski-Sarbanes—two amendments—Reagan National Airport, slots and perimeter rule, 30 minutes equally divided; Roth, reintroduce title VIII to the bill, 5 minutes equally divided; Thompson, criminal penalties for airmen who fly without a certificate, 10 minutes equally divided; Torricelli, Quiet Communities Act, S. 951, 1 hour equally divided; D'Amato-Moynihan, DOT issue 70 slot exemptions at JFK Airport, 10 minutes equally divided; Lott-Frist-Moynihan, limit eligible airport size for regional jet section and Reagan National commuter slots, 10 minutes equally divided; Reed of Rhode Island, noise at Rhode Island airport, 15 minutes equally divided; Reed of Rhode Island, cost-sharing notice, 15 minutes equally divided; Robb, Reagan National Airport, slots and perimeter rule, 1 hour equally divided; Snowe, handicapped access violations, increase civil penalty, 10 minutes equally divided; Snowe, community air service grants, regional distribution, 10 minutes equally divided; Warner, prohibit new Reagan National slots and perimeter rule exemptions until Washington Metropolitan Airport Authority nominees confirmed by the Senate, 1 hour equally divided; Warner, notice, comment, and hearings before proceeding with Reagan National slots and perimeter rule exemptions.

If there are additional amendments to the bill, I would urge my colleagues to send them over so that sometime within the next hour we could try to initially propose a unanimous consent agreement at least to narrow down the list of amendments.

Madam President, I want to make clear to my colleagues the importance of this legislation and why we need to resolve it as quickly as we possibly can. Today is the 23rd of September, 1998. If we do not get a bill into conference and back and passed by the 1st of October, at least $2 billion worth of moneys out of the airport trust fund/

aviation trust fund will not be allowed to move forward, and also there are many letters of intent that entail hundreds of millions more.

Madam President, we all know how important aviation is to America. We all know how important it is for us to move forward with the ever growing air traffic in the United States of America.

Madam President, I rise in support of S. 2279, the Wendell H. Ford National Air Transportation System Improvement Act of 1998. Today, I will be offering a manager's amendment to the bill as reported by the Commerce Committee on July 14, 1998. This bill, as modified by the manager's amendment, has the support of Committee Ranking Member Senator HOLLINGS, Aviation Subcommittee Chairman GORTON, Aviation Subcommittee Ranking Member Senator FORD, and myself. As I indicated on the floor last week, this is a ''must-pass'' piece of legislation which includes critical aviation projects such as safety, security, capacity and noise projects at airports across the Nation.

Madam President, if the Congress does not pass legislation to reauthorize the programs of the Federal Aviation Administration (FAA), the FAA will be prohibited from issuing grants to airports in every state, regardless of whether the transportation appropriations bill is signed into law. Therefore, we must act to reauthorize the programs of the FAA before we leave this year.

I would like to highlight three areas of importance which this bill addresses. First and foremost, it reauthorizes the FAA and Airport Improvement Program, AIP. Second, the bill contains essential provisions to promote a competitive aviation industry. Last but not least, it will protect the environment in our national parks from the harmful effects of excessive commercial air tour overflights. I have worked long and hard on all of these issues. And many of these long and hard times have been spent with Senator FORD, the Senator from Kentucky.

This bill provides a two-year authorization for most programs of the FAA including FAA Operations, Facilities and Equipment, and AIP, the Airport Improvement Plan. Research, Engineering and Development (RE&D) programs have already been authorized for FY 1999 by separate legislation that was signed into law on February 11, 1998. S. 2279 authorizes the AIP at $2.4 billion for Fiscal Year 1999.

The legislation also includes funding for aviation security. Two years ago, the Congress passed the 1996 FAA reauthorization bill which contained numerous provisions designed to improve security at our nation's airlines and airports. These provisions included accelerating deployment of the latest explosive detection systems; enhancing passenger screening processes; requiring criminal history record checks on screeners; and requiring regular joint threat assessments and testing baggage match procedures. While these provisions have helped secure our airlines and airports, the legislation before us builds upon the security foundation we established 2 years ago.

Madam President, S. 2279 legislation also includes several provisions to enhance competition in the airline industry. On October 29, 1997, I introduced the Aviation Competition Enhancement Act of 1997, S. 1331. The purpose of this bill was to further deregulate our domestic aviation system for the the benefit of travelers and communities, by promoting more convenient options and competitive air fares for travelers. According to the General Accounting Office report of October 1996, several factors have limited entry at many airports. These factors include the dominance of routes to and from the four slot controlled airports by one or two established airlines. In April 1996, the Department of Transportation conducted a study that estimated that almost 40 percent of domestic passengers traveled in markets with low fare competition, saving consumers an estimated $6.3 billion annually in airline fares.

Due to the interest of other Senators to increase competition in the airline industry, I worked with Senators FRIST and LOTT on a substitute to Senator FRIST'S competition legislation, S. 1353, which the Commerce Committee also reported out of Committee on July 14, 1998. These provisions are also included in the bill that is now before us.

The competition provisions—and I would like to again give great credit to Senators FRIST and LOTT—have three main elements. First, they would provide slot exemptions for nonstop regional jets to fly to and from so-called underserved communities and the four slot-controlled airports—Reagan National, O'Hare, LaGuardia, and JFK—would create 12 new round-trip flights at Ronald Reagan Washington National Airport, and provide limited exemptions to the perimeter rule at Reagan National and finally, would add additional slots at Chicago O'Hare. I will comment on each of these provisions.

The slot exemptions for nonstop regional jets must be approved by the Secretary of Transportation for service between a nonhub airport and a small hub airport and the high density airports which are O'Hare, LaGuardia, and JFK.

At Reagan National, the legislation would create 6 new daily round-trip flights beyond the 1,250-mile perimeter, a federally imposed restriction, and 6 new daily round-trip flights to underserved markets within the perimeter. Carriers can only use Stage 3 aircraft that meet strict noise requirements in the new slots. The new service will result in only one or two new flights per hour at the airport.

At Chicago O'Hare, the legislation as reported by the Commerce Committee would provide discretionary authority to the Secretary of Transportation to convert up to 100 unused military slots to air-carrier slots over three years at Chicago's O'Hare Airport. Due to concerns raised by some Senators, however, I have worked on a compromise regarding additional flights at O'Hare. Under the agreement which is included in the managers amendment we are offering today, the Secretary of Transportation would be directed to allocate 30 new daily take-off and landing slots over the next three years. Specifically, eighteen slots would provide service to under-served communities, and twelve slots would be available for general distribution.

I would now like to address those members of the Senate who have concerns about the possible increase in noise at O'Hare and Reagan National due to the increase in slots. The aircraft that operate in these new slots would be required to operated Stage 3 aircraft only. Stage 3 aircraft is the quietest technology available today. The entire domestic fleet is in the process of converting from Stage 2 aircraft to the significantly quieter Stage 3 aircraft. Currently, the fleet is 75 percent Stage 3. By 2000, thanks to legislation previously passed, it must become 100 percent Stage 3. Once the fleet becomes 100 percent Stage 3, the noise impact on areas surrounding airports will drop significantly.

At Reagan National, the FAA has already stated that the phaseout of Stage 2 aircraft will have a significant impact on noise at the airport. Therefore, adding a few more flights of quieter Stage 3 aircraft certainly should not cause noise levels to approach what they are today.

At O'Hare, before granting any of the exemptions, the Secretary is to study and report on the environmental considerations that are associated with the flights that would utilize the additional exemptions, including determining that there is no significant increase in noise. I want to repeat: including the Secretary must determine that there is no significant increase in noise. The Secretary must certify that sufficient capacity is available at O'Hare to accommodate the additional flights, and that the exemptions can be used safely.

Prior to issuing any of the slot exemptions, the Secretary is to provide 30-days public notice in the Federal Register. Furthermore, the Secretary is to consult with local officials on the noise and environmental issues surrounding granting of the exemptions. At the end of three years, the Secretary will again study and report on how safety, the environment, noise, access to underserved markets throughout the country, and competition at Chicago O'Hare have been impacted by the new exemptions.

Meanwhile, the revised bill will direct the Secretary to study and report on the community noise levels in the areas surrounding the four high density airports O'Hare, Reagan National, LaGuardia and JFK, once the national 100-percent State 3 requirement comes into effect in 2000. Among other things,

the report is to compare community noise levels since enactment of the Stage 3 aircraft fleet requirements in the 1990 Airport Noise and Capacity Act. The report will also offer suggestions on improving the noise impact of these airports.

In summary, Madam President, this legislation represents over a year's work by the Commerce Committee and the Aviation Subcommittee. I cannot overemphasize the need to move quickly on this bill. As the end of the second session of the 105th Congress comes to an end, we cannot run the risk of the bill getting caught up in unrelated, politically-charged issues. This bill will have to be conferenced with the House, and we need to take the time to move through the appropriate process.

Before I conclude my remarks, I would like to comment on an important issue that is not being addressed in this bill—although I considered offering an amendment on the subject. The issue concerns the abuse of familiarization training programs at the FAA. Such programs authorize FAA employees to have free access to cockpit or cabin seating on commercial flights. Cockpit access is designed to provide these employees an opportunity to gain firsthand experience in the operational characteristics of various types of aircraft, to directly interface with cockpit crews and air traffic controllers, and to gain insight into the FAA's systems' performance.

A February 1996 audit by the Department of Transportation's Office of Inspector General found that some FAA employees violated standards of ethical conduct by using their familiarization privileges to fulfill personal travel agendas and take vacations. The IG essentially found that FAA oversight and control of the familiarization programs was inadequate. Despite the fact that the IG recommended that the FAA establish stronger guidelines and internal controls with regard to these training programs, it is my understanding that they still are not adequately managed.

Despite my concerns, I am not calling for elimination of appropriate training programs that provide valuable insight and experience for FAA employees. Taxpayers simply want to be assured that such program are being used only for legitimate training purposes and not being abused for personal gain, by managers and controllers alike. Unfortunately, the ride-along privilege seems to have evolved from a legitimate training tool into a personnel perk that is easily subject to abuse.

I recently wrote to Secretary Slater and Administrator Garvey about this matter. I strongly urged the FAA to review each of the recommendations contained in the 1996 IG report. Without strong oversight and control of these familiarization programs, they will remain open to abuse. It is inappropriate for FAA employees to use these training programs for personal travel. This issue is particularly troublesome because it involves taking advantage of an industry the FAA is responsible for regulating. Therefore, I urged the FAA to take every action to stop the abuse of these programs and establish guidelines for their proper use.

It is my understanding that the FAA, working with the DOT–IG, has set forth a plan to take decisive action to prevent further abuse of familiarization programs. I hope that changes are implemented immediately. I will continue to follow this issue very closely.

Madam President, my message to the FAA is we should not have to pass a law in order to prevent the abuse of a relatively important training program. Clean up your act and restore the Congress' and the American people's confidence in this program or we will have to act. Sometimes when we act legislatively there are unintended consequences, as well as intended consequences.

Returning to the matter of the legislation at hand, I urge all of my colleagues to support passage of S. 2279. We cannot adjourn for the year without taking final action on this important legislation. If we fail to act, the FAA's hands will be tied and they will be unable to address needed security and safety issues in every State in the Nation.

Madam President, about a week ago I included in the RECORD the amounts of money that will be allocated to each State to take care of or begin to address many of their aviation requirements. At a later time, I will include that again in the RECORD.

The last thing we want is a disruption of not only the funding, but also the ongoing safety measures that are a part of this bill and that are a follow-on to the legislation that the Senator from Kentucky had to deal with a couple years ago.

I urge my colleagues, again, to call in their amendments. We will include them in a unanimous consent agreement which we will try to propound. I understand that there is an important function this evening which will require the Senate to go out around 6 o'clock. I would like to try, at the least, to get our agenda refined by that time.

I know that the Senator from Kentucky has remarks, so I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. FORD. I thank my friend, Senator MCCAIN, chairman of the Commerce, Science, and Transportation Committee. I compliment him on his remarks. I think he fully and fairly explained the legislation that is before the Senate. One of the things I want to reiterate that he stated is that every State in this Nation has a vital part in this piece of legislation as it relates to air transportation, not only domestically but internationally. It is important. We are talking, I think, in the neighborhood of approximately $10 billion per year. It is so important, as the chairman has said, that we work hard and quickly on this bill so that we might pass it prior to adjournment. I would hate to see this piece of legislation caught up in a continuing resolution that would generally turn into a ''Christmas tree.''

So, Madam President, before us today is S. 2279, a bill that my good friend, Senator TED STEVENS, and this committee named after me. I hope having that name on it won't prevent it from moving expeditiously. It is an honor to have a piece of legislation named after a Member, and I thank the Senator from Alaska for his friendship and his kindness.

As many of my colleagues know, this bill is a ''must'' pass bill. Without it, the FAA and our nation's airports can not continue to build to meet future needs. I have watched over my career as airports in Louisville, Cincinnati, Owensboro, Hazard and may other places in my State, have benefited from the work of the FAA. We all have seen the growth in aviation throughout the country and, yes, throughout the world. Denver, for example, was a pipe dream for many years. Today, it is a vital part of the aviation system.

Past Administrators, like Linda Daschle, and Secretaries, like Sam Skinner, have also realized how critical aviation is to our economy. In naming these two individuals, I do not mean to exclude the many fine individuals who have held those posts.

The Administrator today, Jane Garvey, and the Secretary, Rodney Slater, have seen first hand how important airport improvements are to our communities.

I had hoped, in my last FAA reauthorization bill, that we could have done more. In 1996, along with Senator MCCAIN and others, we tried to set a course to reforming the FAA. We worked through difficult issues together, and produced a good road map for the FAA. One piece remains missing—funding. There will be options that will be debated next year—a fee system, taking the Airport and Airways Trust Fund off budget, or keeping the current system. As long as you can ensure that the FAA has the money it needs to modernize and meet the future needs of the traveling public, you will succeed.

Today, we will lay down a managers' amendment. We have been working on it ever since the FAA bill was reported by the Commerce Committee. Many issues of concern of the Members have been addressed. Some remain unresolved.

I want to make clear that there are a few provisions that still need some work. Clarification of intent will be important.

The bill today does two critical things—it gives the FAA a road map to improve safety and to make sure that communities that have not benefitted from airline deregulation have a chance to improve airline services.

I have heard the Chair's distinguished colleague, who is on our Commerce Committee, talk about the air transportation problems in small communities in their area. I am hopeful that in this piece of legislation we moved in the right direction to help those communities that have not benefited from airline deregulation and have a chance to improve their services. I will talk more about the small community needs later.

As I said earlier, I think Senator MCCAIN explained the bill very well and very fairly. I am hopeful that colleagues on my side will be more than willing to accept the managers' amendment and will be Henry Clay-like—that is, in the mood of compromise—as we move into the amendments that are not quite ready to be agreed to.

I am hopeful that we will be limited to maybe five or six votes and then final passage. If we can do that, then that will be a real victory for the legislative process. I want to express a special thanks to the staff on both sides who have worked so hard since this bill was introduced to work out many of the amendments that were being proposed and suggested.

I think we come today with a package that is almost there. I am sure that once we get into the five or six amendments that might be contentious, we will be able to work it out. Even now, as we are bringing this piece of legislation to the floor, staff are working to see if they can reach an agreement on the final pieces of legislation. I agree with my colleague, Senator MCCAIN, that we are hopeful that between now and roughly 6 p.m., we will know how many amendments will be brought to this piece of legislation, how many would need a vote, and how many we would need to discuss. We are hopeful that we can be very close at the end of the day to getting this bill prepared to pass here tomorrow and send it to conference, so that we can include this must-pass bill in our agenda before we leave here somewhere around October 9.

Again, I thank my colleague for all of his hard work. He is a pretty tenacious fellow. When there are things that he believes should be done, even though he may not have a majority with him at that time, look out, here he comes. So we are down to five or six amendments, I believe, and we are still working to try to see if an accommodation can be made, because when we are talking about the transportation and the industrial development, those things are so important to this country and our ability to move in the international sphere that we must pass this bill before we leave here.

So I am ready to work. I will meet with our colleagues any time. Our staffs are prepared to meet, and we will do whatever is necessary to spend the time to work out these final few amendments. Before we leave here this afternoon, I look forward to having some kind of a finite list, if we can get it, of those that we will be considering in the next 24 hours.

Madam President, I thank the chairman for his courtesy and the time. I yield the floor.

Mr. MCCAIN. Madam President, again, I thank the Senator from Kentucky. I argue that if I possess any legislative skills, a major part of the reason for that is that I learned from a master for several years. I was privileged to serve as the ranking member of the Aviation Subcommittee of which the distinguished Senator from Kentucky was the chairman. I watched the Senator from Kentucky masterfully, with enormous skill and bipartisanship, pass several pieces of landmark legislation. He did it in a way that I will always remember, and he did it even though issues may have been rather controversial, and he did it without rancor. I believe that the contributions that he has made to aviation in America will be remembered long past his time here in the U.S. Senate.

Madam President, we do have a managers' amendment, which I will bring forward in just a minute, as we attempt to get amendments. By the way, I also know that there are Members, especially from the States of Maryland, Virginia, Illinois and New York, who have very strongly held views on this issue, and I welcome their presence on the floor to help educate me and Senator FORD further on their views and the impact of this legislation on their airports and surrounding communities.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

OUR CONSTITUTIONAL RESPONSIBILITY TO AMERICA'S WORKING FAMILIES

Mr. BYRD. Madam President, once again, I come to the floor to express my opposition to fast-track procedures. Fast-track procedures were soundly defeated last year by this body, but were resurrected by the Senate Finance Committee as part of a trade bill reported under its jurisdiction.

In reviewing the trade bill reported by the Senate Finance Committee, I am reminded of a remark attributed to Napoleon in referring to one time political-supporter-turned-foe, Charles Maurice de Talleyrand-Périgord. Purportedly, Napoleon referenced Talleyrand as ''a silk stocking filled with mud,'' believing that Talleyrand's costume and charm covered nothing but light-mindedness and egotism. Regardless of the legitimacy of Napoleon's remark, ''a silk stocking filled with mud'' is exactly my expectation of what would result from the provisions of the trade bill reported by the Senate Finance Committee. The bill's supporters have proclaimed a trade package promising lucrative U.S. economic gains, and have tried to stake out a claim to the moral high ground in the name of free trade. The rhetoric may extol a very pretty package, indeed, but, I am not sold by packaging. American workers simply cannot afford pleasing packaged rhetoric that in reality might leave them in an uphill fight, through an international thicket, to save their jobs.

In addition to the certainty that current fast-track trade negotiating authority offers no guarantee to the average American worker, my colleagues should take heed that, likewise, no certainty exists that rosy international economic predictions linked to fast-track authority would come true. Take a look at the current global economic crisis. There are no guarantees.

I have listened to my colleagues who urge support of the fast-track process, but I cannot, and I will not, vote to undermine a responsibility assigned to Congress through the Constitution. That responsibility is ''to regulate Commerce with foreign Nations'' and to ''lay and collect * * * Duties, Imposts and Excises''—a responsibility that this legislation appears bent on diminishing.

Clearly, under the Constitution, the Senate is to have a meaningful role in trade negotiations. Likely, the Founding Fathers recognized the different institutional interests that affect trade negotiations and, thus, crafted provisions to provide checks and balances to ensure that the broad interests of the states—and the people—are protected. By side-stepping the Senate's authority in trade negotiations, we are circumventing the framework set up by the Founders to help guarantee that the total national interest is met. We are playing dangerously with the basic premises that underlie our system of checks and balances, and separation of powers.

I note that many of my colleagues feel that the fast-track legislation under consideration sufficiently revises past trade negotiating authority to ensure that Congress' constitutional role in the regulation of foreign trade is preserved. Particularly, in this regard, supporters are touting the bill's beefed-up notice and consultation provisions as achieving the proper balance of power between the executive and legislative branches of government.

I am supportive of continuous dialogue between the Administration and the Congress throughout any trade negotiating process. That would seem like a commonsense approach to me. But guidelines and cursory oversight provisions simply do not fulfill the Senate's constitutional role in foreign trade, and these new consultation and

notification provisions can not overshadow the bill's basic shortcomings. That basic flaw is that the Congress through this measure hands the President broad authority to initiate, negotiate, and present trade agreements to the Congress. The Congress must then consider those agreements by an up-or-down vote with little or no debate and no opportunity to offer amendments.

That is where we get off the track. They may call it the fast-track process. But that is where we leave the constitutional track. That is where we leave the track, which under the Constitution, says that the Senate has the right to offer amendments.

While the Members on the committees of jurisdiction may have the opportunity to influence and develop the implementing legislation, for all practical purposes, this bill obliterates the voices of most of the Members of Congress when it comes to international trade agreements.

The Constitution says that revenue measures shall originate in the House of Representatives but that the Senate may amend as on other bills. But here in this so-called fast track, the agreement is presented to the Senate to accept—up or down, with no amendments in order.

Take it all or nothing. Frankly, I have little faith that consultations with the administration will have much impact—this or any other administration, if we are to be guided by recent administrations.

Such consultations—with this or any administration—usually do not yield significant results. They have not thus far, in recent years certainly.

So consult and notify as you will, but I am well aware of the likelihood that the President will sign an agreement, an implementing bill will stealthily materialize, and Senators will be provided with an immense document which they have little ability to change.

It is take it or leave it. This is where we leave the track. This is where we part company as far as I am concerned. Under this bill, Senators' ''meaningful'' role in trade pacts will continue to be a yes-or-no vote on legislation that can affect millions of American workers and their communities.

Perhaps I would be more enthusiastic about fast-track procedures if I believed that past trade agreements implemented under fast-track rules were beneficial to the nation as a whole.

Regrettably, I believe that past agreements, such as the North American Free Trade Agreement, NAFTA, which I voted against, have poorly represented the concerns of the average American worker.

By eroding the carefully crafted checks and balances provided under the Constitution, our current trade policy poorly represents the broader interests of American society.

Why can't the Senate be given an opportunity to at least offer 1 or 2 or 3 or 4 amendments? I am not suggesting that the Senate ought to be the arbiter over every little, teensy-weensy item in a trade agreement. I am not suggesting that at all. Obviously, we can't do that. But to say that the Senate cannot amend, can offer no amendments is off the track. To me that doesn't comport with the Constitution which provides that the Senate may offer amendments to bills.

Trade agreements, in principle as well as in practice, always have winners and losers. I believe the underlying issue for the average American worker is precisely who benefits most from our trade negotiations. I believe that the average American worker perceives that a select few U.S. industries keep winning, while other domestic industries keep losing, and that the promised ''trickle down'' of benefits from the winners to the losers never actually trickles.

Some will say that the benefits have not yet had time to trickle down. But data available today demonstrate a most distressing trend toward U.S. income inequality. That is: the rich keep getting richer and the poor keep getting poorer. Under fast-track rules, Senators cannot challenge trade provisions that appear inappropriate or unfair. They cannot question trade provisions which seem to contain juicy deals for specific industries or companies, but hold few guarantees for the average American worker just trying to make ends meet, take care of family responsibilities, and save a little bit for retirement.

Thus, it should be no mystery to Members of Congress as to why the American public is increasingly skeptical about our trade policies. During the NAFTA debate there were promises that the agreement would create lucrative economic gains for Americans—all Americans. American workers remember this promise, and they have judged that the promised gains have not materialized.

We need to wise up. Our trade negotiators are under strong pressures from certain influential industry sectors in our economy to negotiate deals which benefit them. To achieve these deals, our negotiators often offer our trading partners concessions, such as tariff reductions that adversely affect less influential U.S. industries. Such concessions, I believe, are not usually properly reviewed. Too often, the benefits achieved in our trade agreements are insignificant compared with the costs to the individual workers, and the total costs to the economy. Worse, many of the negotiated provisions to benefit U.S. industries fail to materialize because our trading partners fail to implement the promised reforms.

Therefore, we end up imposing enormous costs on various groups and segments of our economy and wind up with nothing to show for the damage. We end up with that pretty silk stocking filled with worthless mud.

Average American workers live in my state of West Virginia. They work hard for their money, very hard indeed. They labor in the coal mines, on small family-operated farms, in steel, glass or chemical manufacturing plants. These hard-working families deserve a fair slice of the pie. These and other American workers elected the various members of this body to look after their interests in national trade matters. Senators simply cannot adequately fulfill this obligation under fast-track procedures.

The Constitution established a system of government that has served the United States well for over 200 years. It created a nation filled with the promise of opportunity for all. It is our duty to do our best to make certain that the interests of every American are considered when it comes to matters of trade.

We live in an increasingly globalized world economy. I am not a protectionist and I am not against fair and free trade. But I would vote to preserve the Senate's essential role in its right to amend bills and in regulating foreign commerce. I would vote against fast-track procedures, as I have in the past, procedures that camouflage provisions that simply might not be acceptable to the majority of Americans.

I urge my colleagues to carefully consider the institutional and practical problems that fast track presents. The Constitution is clear: Congress is assigned the power ''to regulate Commerce with foreign Nations: and to ''lay and collect duties, imposts and excises.''

The Constitution is also clear on the point that the Senate has the power and the right to amend legislation that comes before this body.

Let us not again so easily relinquish our constitutional power when it comes to issues of such importance to American working families.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. I ask unanimous consent to speak as in morning business for a period of 5 minutes.

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

Mr. FORD. Reserving the right to object, how much time?

Mr. GREGG. Five minutes.

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

BUDGET DISCIPLINE

Mr. GREGG. Madam President, I wanted to return to the floor; I have spoken about this issue before, but I wanted to continue to raise the issue because as we move into the final weeks of this session of the Congress, it is one of the core issues we have to address; that is, the question of budget discipline as a Congress.

It has taken us a long time—29 years, I believe—to get to a surplus, but this year we finally have a surplus. The American people place great faith in that and appreciation in that, and we as a Congress, obviously, are proud of the fact we finally reached a surplus. It was done as a result of a lot of hard work. We made some difficult decisions. We tightened down on the spending of the Federal Government and we especially maintained fiscal discipline here in the Congress. We did that through the use of what are known as caps. We set a budget in place, we had a 5-year budget agreement with the President last year, and it has led us on a glidepath to a surplus. The key to that budget agreement was that we set spending limits. We said: ''We shall not exceed those spending limits.''

Unfortunately, as we move towards the closing days of this Congress, we appear to be at the point of almost saying that the caps are irrelevant, that the disciplining effects which they had which got us to this surplus are going to be cast overboard. That is because we have something coming at us called an emergency supplemental.

An emergency supplemental is not an emergency, it is simply a bunch of spending which is going to be done outside the budget process, independent of the caps. On top of the spending which we said we would make, we are going to add new spending. It is as if you were running a household and you had income of $100 a week and you set your spending on your grocery bills and your electric bills so they would meet that $100. And then suddenly you said, ''I happened to make $110 this week so I am going to spend $110—well, no, maybe I'll spend $120. I am not going to limit my spending by what I had originally planned, I am simply going to raise it arbitrarily.''

That is what is happening here. We are using a vehicle called an emergency supplemental to arbitrarily increase the spending of the Federal Government. The projection now is that we are going to have an emergency supplemental somewhere in the vicinity of $20 billion. That is a lot of money. That is going to have a very dramatic impact on the surplus, because the surplus is projected to be not a great deal higher than $20 billion. It could literally, depending on the economic effects of the Asian situation and the slowdown of the American economy, it could literally slow down arriving at the surplus if we spend $20 billion more than we budgeted for, to exceed the caps in that way.

Why does it get designated as an emergency? It gets designated as an emergency because, if it didn't get designated as an emergency, it would be subject to a point of order and you would have to get 60 votes in order to spend it. But if it is designated as an emergency, it does not get hit with a point of order and therefore it can be spent with just a majority of Congress supporting it. So the budget discipline is lifted off.

What are these emergencies? One of the emergencies is that the year 2000 is coming. As my colleague from North Carolina, Senator FAIRCLOTH, who happens to be one of the more original folks around here, said: Are we just suddenly learning that the year 2000 is coming? That is hardly an emergency. We know and we have known for a long time that the year 2000 is coming. Thus, the additional $3 billion to address that is not an emergency. It should have been budgeted for.

Another emergency is Bosnia. Did we suddenly find out that we are in Bosnia? No. We have known we have been in Bosnia for quite a while. Obviously, that is not an emergency.

Another emergency happens to be the farm program. Originally it was asking for $2 billion in emergency spending. Now it is up to $4 billion. The leader on the other side wants to make it $7 billion. I have to tell you, every year that I have been in the Congress the farm program has come to us and asked for an emergency spending bill. There is no emergency here, other than the fact that that is the way the money gets spent—outside of the budget process. We all know that certain areas of this country every year are going to have problems with their farm program. It is simply a function of weather and factors like weather. In this case, it is a function of the international economy going flat. But every year we have this. It is a predictable event, so it is not an emergency. It is something that we should be anticipating.

Then we hear also that the President is going to come forward with emergency spending for defense. Clearly, defense needs more money. It is rather unusual that the President should be saying this, because for the last 6 years he has essentially tried to cut defense and increase spending on all the other programs in the Federal Government on the back of defense, and now it suddenly becomes an emergency that he has figured out that after 6 years he has cut defense so dramatically that it is in a horrendous situation and we are basically heading towards a military establishment which may be a shell, which may not be able to deliver the defense of the United States.

That may be an emergency in the sense that it is a clear threat to this country, but from a fiscal standpoint it was a known action which was taken by this administration over the last 6 years, to savage the defense budget, which has led us to this point. If it is the desire of the administration to suddenly increase defense funding, they should do it within the context of the budget process and take money from some of their beloved programs for which they have moved money out of defense and into those programs—take it back from those beloved programs and put it back in defense spending so this country is adequately defended.

So the fact is, as we head towards the closing days of this session, we confront a potential hemorrhaging of the budget process through an emergency supplemental. We are hearing with crocodile tears, I think, a lot of talk from the leader of the other body and from the Vice President, and even the President to some degree, that any tax cut would be an attack on the Social Security trust fund because any tax cut would come out of surplus and thus would be taken from the Social Security trust fund. That is the mantra, now, of the political operatives of this world who work for the Democratic Party, the James Carvilles. That is what they are going to try to label Republicans: ''You are going to cut taxes and you are going to cut Social Security, because that's going to come out of the surplus.''

What is good for the goose is good for the gander. If that is the case when the President sends up here a $20 billion supplemental request, many of which are not emergencies but which are predictable events—like the year 2000, like the agricultural situation, like Bosnia, like the defense issues—if they are going to send that amount of money up and ask that it come out of the emergency supplemental funding process, which means it comes directly out of the surplus, that also is an attack on Social Security in the same context as a tax cut on the Social Security trust fund. You can't have it both ways, Mr. President and members of the administration. You can't be saying a tax reduction has an impact on Social Security but the emergency supplemental doesn't. They both do, because the surplus is a function of excess tax revenue coming in under the Social Security trust fund.

What should we do? The proper fiscal thing to do is to offset this funding, these expenditures which we are going to undertake on the emergency supplemental. Granted, we can't do it all, I accept that, but we should certainly offset a large percentage of it. So before we come out here and hemorrhage the discipline that got us to a surplus, undermining the core elements that gave us fiscal solvency as a Nation for the first time in 29 years, I think we should pause and think about that and say, ''Listen, maybe we ought to step back, try to figure out a way to pay for this supplemental so we don't undermine the budget process and undermine the surplus and, to some degree, undermine the Social Security trust fund.

Madam President, I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Madam President, I appreciate the remarks of the Senator from New Hampshire. Many of the economists give credit for the financial position of this country to the President and those who voted for the 1993 Budget Act, for which not a one on the side of the Senator from New Hampshire voted.

Secondly, the CBO, which is an appointment of the majority party, has said there will only be a $31 billion surplus in the general fund at the end of 10

years. He is partially right in saying if we have an emergency supplemental that it would come from the surplus, which is basically Social Security. Any tax break that is given comes from Social Security. I think whatever we might believe about the President, if a bill that goes to his desk that takes part of the Social Security trust fund money and spends it for a tax break or anything else that he will veto it, because the economic situation of this country is still an amazement to the rest of the world, how we have put our economy and our economic position in place.

What is an emergency? I think the rules are basically something similar to this. I don't have it before me to read. But it is something that doesn't come all the time, it is unexpected. The Senator from New Hampshire says you can expect a drought, or you can expect too much water, or you can expect all these things, so you should fund for it. I have gone through years when we didn't have an emergency in the farm community. I have gone through years when we did not have an emergency appropriations. So, therefore, you didn't need to budget it.

Secondly, the emergency is something that occurs and is not in perpetuity. The tax cut goes on; it doesn't stop. If you have an emergency now, you try to take care of that emergency; if it doesn't occur again, you don't have to do it again. If you give a tax break, that goes on forever, in perpetuity. So there is a difference between a tax cut and an emergency supplemental appropriations. It isn't something that reoccurs; you do it one time.

As we look at the Freedom to Farm bill that was heralded as the savior for the farm program, we see now that it really doesn't work; there is no safety net for the farmers. There is a crisis in the Midwest. The farmers who raise the grain have had a lot of trouble, and it is not necessarily no rain, a drought, and so forth, but prices. The North American Free Trade Agreement, which only seven of us in the Senate voted against at the time, has now come back to bite us. When you find farmers standing at the border between the United States and Canada preventing those 18 wheelers from coming in, it is somewhat understandable that we should be concerned about it.

I hope we can sit down and work out whatever moneys are necessary as it relates to an emergency supplemental, particularly for our farmers and particularly in defense.

I did not want the Senator from New Hampshire to get up and say all these things as fact without having a little bit of the other side from whom some people refer to as a moderate Senator from Kentucky. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Arizona.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. MCCAIN. Mr. President, I say to my friend from Kentucky, I believe we now have an agreement on the managers' amendment.

AMENDMENT NO. 3618

(Purpose: To make minor additions and corrections to the reported bill)

Mr. MCCAIN. Mr. President, I send the managers' amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself and Mr. FORD, proposes an amendment numbered 3618.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. MCCAIN. Mr. President, I ask unanimous consent that the amendment be considered as part of original text for purpose of amendment.

The PRESIDING OFFICER. Is the body ready to vote on the amendment?

Mr. MCCAIN. Mr. President, I ask unanimous consent that the amendment be considered as part of the original text for the purpose of amendment. This is a substitute amendment.

The PRESIDING OFFICER. Is there objection to the adoption of the amendment and inclusion as part of the original text?

Mr. FORD. Reserving the right to object, let's be sure we have the parliamentary procedure correct. This is a managers' amendment that is a part of the original bill as filed subject to amendment.

Mr. MCCAIN. Subject to amendment.

The PRESIDING OFFICER. It will be considered as part of the original text for the purpose of amendment and will be subject to amendment.

Mr. FORD. I wanted to be sure. There is not any hanky-panky going on here, I know that. Every once in a while, we find we have to make a unanimous consent request to get us out of a parliamentary problem.

The PRESIDING OFFICER. Is there objection to the adoption of the amendment? Without objection, the amendment is agreed to.

The amendment (No. 3618) was agreed to.

Mr. MCCAIN. Mr. President, now I ask that my colleagues, again, who are interested in this bill—we have a little less than 2 hours remaining—who wish to debate this bill, who wish to discuss it, who wish to amend it, please come to the floor and do so. The Senator from Kentucky and I intend, again, to achieve a final list of amendments for tomorrow. We have every intention of completing this bill by tomorrow evening.

I want to put my colleagues on notice. We have been working on this bill for a long, long time. If there are not Members who come to the floor to propose their amendments, then I will move to go to third reading of the bill, because there is no point in us going all the way tomorrow and into Friday and not having completed this legislation. I repeat, it must pass.

I have heard personally from a number of Members who have strongly held views on this legislation, particularly the Senators from Maryland and Virginia. I will point out, Mr. President, that one of the Senators from Virginia, Senator WARNER, has had a tragedy in his family, which is why he is not here to debate the bill at this time.

I, again, urge my colleagues to come to the floor in the next couple of hours to either propose amendments or debate the bill.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. I thank the Chair.

Mr. President, I would like to preface my comments by commending the floor leaders, my good friends, Senator MCCAIN and Senator FORD, for the leadership they have provided in getting this piece of legislation through the committee and on to the floor. I am not unmindful of the fact there are some points of contention, but both of them have provided the kind of leadership and experience and real statesmanship we have come to expect from both of these two leaders. And I, for one, want to praise them for their leadership.

I want to talk about one of those points that has become historically somewhat vexing when we deal with an FAA piece of legislation, and that is the so-called perimeter rule. The perimeter rule is extremely important to my State, Nevada, and particularly the expanding markets in southern Nevada. Within the next year, 20,000 new hotel rooms will come on line. It will be critically important to have additional air capacity going into southern Nevada in order that those new hotel rooms can be filled. The Metropolitan Las Vegas area will have in excess of 120,000 hotel rooms within the next 18 months.

I know of no place in the world that has that concentration of hotel rooms. It is no secret that the mainspring of the economy in southern Nevada, as well as the entire State, has been for decades tourism. And because of the relative remoteness and isolation of southern Nevada, air transport is a critical factor for our continued economic viability and the expansion that we have enjoyed over the years.

I was able, with the support of the distinguished chairman of the committee, the senior Senator from Arizona, to convene a hearing in Las Vegas earlier this spring, because one of the challenges that we face in providing

additional air service to southern Nevada are some economic changes that are occurring in the airline industry itself.

During the time in which the economy was relatively soft and business travel was not particularly robust, it was much easier for us in southern Nevada to get the kind of air service and the number of flights that we needed. As a result of the expanding economy and business travel expanding quite rapidly, the airlines have reached an economic judgment which, although hard to quarrel with, nevertheless has had some profound implications for us in Las Vegas. And that is to say that business travel, as opposed to recreation travel, generates more revenue per seat mile than does resort, tourist destination travel.

So the airlines, to some extent, have shifted some of their capacity to the more profitable business routes. That change poses some real challenges to us in trying to fill those hotel rooms, I mentioned earlier in my comments, that are coming on line. That would be the largest influx of new hotel rooms in the history of Las Vegas for any given period of time. So as part of this hearing that we held in Las Vegas, we looked at a number of factors that might help to alleviate that problem.

One area in which we desperately need expanded air service is from longer distance destinations, from the east coast. And one of the things that was pointed out as part of the barrier to that new service is that there are some artificial barriers that are created either by act of Congress or by policy, and to the extent that we can remove those barriers, it will be easier for us to get expanded air service.

One of those barriers that was created by an act of Congress is the perimeter rule, established in 1986 as part of Federal legislation. That was part of the Metropolitan Washington Airport Act.

Some history of the perimeter rule. In its initial origin, there may have been some justification for it. At the time, there was considerable concern that Dulles would not attract the kind of airline service needed to fully utilize that facility if, indeed, longer distance flights could originate out of Washington National or could come to Washington National.

So this perimeter rule—which has kind of taken on a life of its own and has been exalted almost to divine status, something that is so sacrosanct that we should never touch it under any circumstances—is in point of fact an act of Congress' creation, and it is not inappropriate for the Congress to revisit that rule.

The General Accounting Office, in examining airline competition, bolsters the argument that was made at our hearing in Las Vegas when it describes the perimeter rule as ''a barrier to entry service.'' It points out that the rules limit the ability of airlines based in the West to compete because those airlines are not allowed to serve—LaGuardia is another airport which has a perimeter rule, as well as National Airport—from the markets where they are strongest. By contrast, because of their proximity to LaGuardia and National, each of the seven largest established carriers is able to serve those airports from its principal hub. So there is an invidious discrimination in the very existence of these perimeter rules.

This report, as well as others, has suggested to the Congress that we grant authority to allow exemptions to the perimeter rule. I believe that is a sound recommendation and one that has been carefully crafted by my colleagues and friends who provide the leadership for us in the Commerce Committee, because a compromise has indeed been offered.

Let me add an additional basis, it seems to me, for that compromise to occur. Not only does this invidious discrimination make it very difficult for new entrants to come into the market, but the original justification for the rule in 1986—if it ever had any validity, if one assumes arguendo that it may have been well founded at the time of its enactment—no longer exists.

You will recall that the original or ostensible justification was to make sure that Dulles as an airport had plenty of activity and airline service, and therefore this artificial creation of the perimeter rule was designed to make sure that the longer distance flights emanated from Dulles. Having been to Dulles many times in the last month, none would argue that this airport is underutilized. It is a robust, healthy air terminal, and all of us are pleased for that.

On two bases, it seems to me, the argument can be made: No. 1, that the original rationale and predicate of the perimeter rule no longer has any operative merit; and No. 2, the competitive aspect in the discrimination which I have alluded to in citing from the airline competition, ''The Barriers to Entering Into Domestic Markets,'' published by the General Accounting Office.

I think for that reason the provisions that have been crafted into this piece of legislation dealing with additional slots at National, particularly those 12 which will be allowed to fly outside the perimeter, represent sound policy and a reasonable compromise.

Again, I commend the chairman of the committee, Senator MCCAIN, and the ranking member of the subcommittee, Senator FORD, for their leadership. I hope we can get this enacted. I salute them for their leadership.

I yield the floor.

Mr. MCCAIN. Mr. President, I thank the Senator from Nevada not only on this issue but for his continued activity as a valued member of the Commerce Committee on all aviation issues. He is knowledgeable. He is given to bipartisan cooperation. I appreciate very much the opportunity to work with him not only on aviation issues but a variety of other issues, including the sport of boxing.

As I mentioned earlier in my remarks, there is a list that I had included in the RECORD about a week ago of all the different formula funds, entitlement State allocations, totaling $2.1 billion, that would be delayed at this time. In the case of the State of Washington, the amount would be $7,410,694, to randomly pick a State; for the State of Kentucky, it is $4,932,788.

Mr. FORD. What airports do they go do?

Mr. MCCAIN. I do not know exactly which airports they go to, although there are some letters of intent that I had printed in the RECORD. One is the Greater Cincinnati airport, $6 million; and Louisville, $18.243 million. These are letters of intent following fiscal year 1999 grant allocations that are already in preparation.

Texas: I see the New Austin at Bergstrom, $11.43 million; Dallas/Ft. Worth International, $12.5 million. Washington: Seattle-Tacoma, known as SeaTac Airport, $4,400,000.

Mr. President, I ask unanimous consent this list be printed in the RECORD.

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

LETTERS OF INTENT

Current letters of intent assume the following fiscal year 1999 grant allocations:

Arkansas: Fayetteville (northwest Arkansas)	$5,000,000
Colorado: Denver International	24,931,000
Georgia: Hartsfield Atlanta International	7,083,000
Illinois:	
Mid-America, Belleville reliever	14,000,000
Chicago Midway	3,000,000
Kentucky:	
Greater Cincinnati	6,000,000
Louisville	18,243,000
Michigan: Detroit Metropolitan	16,400,000
Mississippi: Golden Triangle	300,000
Nevada: Reno/Tahoe International	6,500,000
New York: Buffalo International	1,700,000
Rhode Island: Theodore F. Green State	6,500,000
South Carolina:	
Hilton Head	558,000
Florence Regional	94,000
Tennessee:	
Nashville International	555,000
Memphis International	18,733,000
Texas:	
New Austin at Bergstrom	11,430,000
Dalls/Ft. Worth International	12,500,000
Midland	1,327,000
Virginia: Reagan Washington National	14,232,000
Washington: Seattle-Tacoma International	4,400,000
Total	173,486,000

(Source: United States Senate Report 105–249, Department of Transportation and Related Agencies Appropriations Bill, 1999; pp. 86)

In addition, there is $500,000,000 in discretionary funds available for assignment by

the FAA after the authorization and appropriations process has been completed.

AIRPORT IMPROVEMENT PROGRAM FORMULA DISTRIBUTIONS

[Estimated FY98 entitlement and State allocations, Total formula funds at $2.1 billion][1]

Alabama	$5,823,950
Alaska	31,277,460
Arizona	8,759,576
Arkansas	4,577,601
California	31,086,667
Colorado	7,958,160
Connecticut	2,809,935
Delaware	635,295
District of Columbia	468,506
Florida	13,064,255
Georgia	8,040,687
Hawaii	1,186,786
Idaho	5,134,047
Illinois	11,777,613
Indiana	6,148,104
Iowa	5,065,177
Kansas	6,193,550
Kentucky	4,932,788
Louisiana	5,778,788
Maine	2,734,919
Maryland	4,298,977
Massachusetts	5,091,338
Michigan	12,190,141
Minnesota	7,873,545
Mississippi	4,490,016
Missouri	7,558,689
Montana	8,289,328
Nebraska	5,247,768
Nevada	6,692,991
New Hampshire	1,334,174
New Jersey	6,348,164
New Mexico	7,508,916
New York	16,573,616
North Carolina	7,827,567
North Dakota	4,180,687
Ohio	10,647,533
Oklahoma	6,061,992
Oregon	7,247,957
Pennsylvania	11,505,588
Puerto Rico	2,632,148
Rhode Island	832,693
South Carolina	4,302,524
South Dakota	4,559,359
Tennessee	5,936,395
Texas	26,942,447
Utah	5,752,302
Vermont	933,033
Virginia	6,947,024
Washington	7,410,694
West Virginia	2,638,950
Wisconsin	7,204,305
Wyoming	5,421,196
Insular areas	2,564,100
Total	388,500,000

[1]The list includes airport entitlement funds and State funds that would be foregone in fiscal year 1999, assuming the Senate AIP appropriations level of 2.1 billion dollars. These figures don't include discretionary grants & LOI payments.

(Source: United States Senate Report 105–249, Department of Transportation and Related Agencies Appropriations Bill, 1999; pp. 80–1).

(Note: This does not include funds allocated to states for general aviation, relieve, and non-primary commercial service airports, nor does it include nearly half a billion dollars in discretionary grants the FAA will allocate in FY99.)

Mr. MCCAIN. Mr. President, I will be prepared shortly, perhaps in half an hour, to propound a unanimous consent agreement on amendments. Again, I urge my colleagues to have their amendments. I repeat our determination to have completed legislative action on this legislation by the close of business tomorrow night.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that I may be recognized to speak as in morning business.

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

THE BLOODSHED IN KOSOVO

Mrs. FEINSTEIN. Mr. President, I note that both Senator MCCAIN and Senator SMITH came to the floor to present their thoughts on Kosovo. I would really like to join them and second their remarks.

Mr. President, it is estimated that at least 250,000 Kosovar Albanians have been displaced by the violence and bloodshed of the past several months, and that many are currently living in the forests, without access to adequate food, shelter or medical care. With winter soon approaching, we are on the verge of a major humanitarian catastrophe in Kosovo, which is the direct result of a cruel and intentional policy directed by President Milosevic and carried out by Serbian security forces in Kosovo.

The time has come—indeed, it is my belief that the time came long ago—for the United States, our NATO allies, and the entire international community, to back with resolve that what happened in Bosnia must not be allowed to happen again in Kosovo. For too long, we have stood by passively while Milosevic has acted in bad faith. He has made numerous commitments to halt the violence, such as that contained in his joint statement with President Yeltsin on June 16, and he has honored none of them.

In July, the Senate unanimously passed a bipartisan resolution which called on the United Nations War Crimes Tribunal to indict President Milosevic for his crimes in Bosnia. That resolution has not yet been carried out. In my mind, the time has come for the United States to call an end to the charade of taking at face value the word of a man the U.S. Senate believes should be indicted as a war criminal.

If thousands, or tens of thousands, of people in Kosovo now die because they have been systematically forced from their homes, forced into the forests, denied access to food, warmth, shelter and medical care, it is a crime worthy of the world's condemnation.

With winter imminent in the Balkans, the U.N. Security Council is prepared to vote on a resolution threatening force under article 7 of the U.N. Charter unless Milosevic calls a ceasefire and negotiates with Kosovo's Albanian separatists.

At the end of this week, Secretary Cohen will be meeting with other NATO defense ministers. According to press reports, the Clinton administration has already asked the North Atlantic Council to seek commitments of arms, material and troops from NATO members to complete plans for a multinational force.

I hope and trust that this means that a plan of action to halt the violence and bloodshed in Kosovo—a plan with clear benchmarks for success and a clear exit strategy—will be at the top of the NATO defense minister's agenda.

I trust that Secretary Cohen will take a strong leadership position at this meeting, and that Secretary Albright is taking an equal stand on this issue in discussions with her counterparts. Although I wish it were not the case, we have seen all too often that when Washington hesitates, our Europe allies become paralyzed.

And, lastly, I hope and trust that this time NATO, acting in coordination with the United Nations, will develop a plan consistent with this pressing humanitarian need, which will be quickly implemented, and not just talked about.

Mr. President, it took us 4 years to develop the courage to join and urge NATO to intervene in Bosnia at the cost of 200,000 dead and 2 million displaced. Hundreds, if not thousands have already been killed in Kosovo, and hundreds of thousands have been forced from their homes. What more needs to happen before the international community acts?

There is no doubt that the search for peace in Kosovo has thus far proved elusive, and that finding a solution which provides Kosovar Albanians with full political rights and civil liberties will be difficult.

But the time has come for the international community to take action: We must keep our promise not to allow Kosovo to become another Bosnia, and, unless Milosevic halts the violence immediately and unambiguously, to commit ourselves to the course of a much-needed humanitarian intervention in Kosovo.

Mr. President, I thank the Chair. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

PATIENTS' BILL OF RIGHTS

Mr. KENNEDY. Mr. President, I was over in my office earlier in the afternoon. I heard the quorum calls. Now again we are wasting time in the middle of the afternoon. We are talking about a Wednesday afternoon at about quarter of 5. The Senate is in a quorum call when we could be debating the issue of the Patients' Bill of Rights.

I have taken the opportunity at other times to remind the Senate about the importance of that debate. Last week, we had the Republican leadership effectively close down the Senate for 5 hours, by essentially prohibiting Members of the U.S. Senate to speak at that time on the issue of the Patients' Bill of Rights. And, as has been pointed out by our Democratic leader, Senator DASCHLE, the Republican leadership shows an unwillingness to debate this issue during the evening times, which would allow us to do the country's business and do the people's business.

I rise again today to talk a bit about this issue, and the importance of it, because it is of such compelling importance to millions of Americans—more than 160 million Americans.

Every time I go back to Massachusetts—and I think it is generally true with others as they travel across the country to their States—I run into the people who have faced the kinds of situations that I will mention in just a moment or two. These are situations that cry out for action. Still we don't take the action.

We have considered other pieces of legislation that have some importance. But I daresay that none of the recent pieces of legislation that we have considered, I believe, rise to the importance of the debate and discussion on the Patients' Bill of Rights.

Mr. President, I want to include in the RECORD today the testimony and the comments of some leading American citizens who are very concerned about ensuring adequate protections for consumers of mental health services—protections that are included in the Patients' Bill of Rights, which has been introduced by Senator DASCHLE, and are not included in the Republican proposal.

In the forum that was held this afternoon, 36 groups—representing patients, families, psychiatrists, psychologists, social workers, and others who are concerned about quality of health care for people with mental illness—begged the Senate to act to pass the Patients' Bill of Rights. With every day that passes, these patients and their families are suffering because of abuses by the managed care systems. In too many instances, the stories they told were tragic. They involved suicide, spousal abuse, anxiety attacks inflicted on a Vietnam veteran, and successful courses of treatment cruelly interrupted because insurance companies are putting their bottom line first and their obligations to patients last.

One of our speakers, the president of the National Alliance for the Mentally Ill, NAMI, focused on an important provision of our legislation that has not received as much attention as some of the other issues—access to needed prescription drugs that are not on a health plan's approved list. For mental patients, the last few decades have seen a significant growth in the number of new medicines that can treat their diseases. For many patients, these new drugs represent genuine medical miracles and opportunities to resume lives that have been devastated by these cruel diseases. But too often managed care plans have said ''no'' to these patients and their doctors. They say: ''The new drugs are too expensive. You will have to make do with older, cheaper drugs that are on our approved list. If they don't work for you, that is just too bad.'' That should be unacceptable to every American.

Our legislation will guarantee that no family with a mentally ill member will ever be subjected to this kind of abuse again.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement of the Mental Health Liaison Group.

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

MENTAL HEALTH LIAISON GROUP,
Alexandria, VA, September 23, 1998.

Hon. TRENT LOTT,
Senate Majority Leader,
Capitol Building, Washington, DC.

DEAR SENATOR LOTT: The undersigned members of the Mental Health Liaison Group (MHLG) are writing to urge the Senate to pass meaningful legislation protecting consumers now enrolled in managed care before the end of the 105th Congress. If Senate passage is accomplished in an expeditious manner, ample time remains to initiate a conference committee with the House and achieve final passage of this important legislation.

Our community has a large stake in timely consideration of consumer protection legislation. Today, over 160 million Americans receive their mental health care from a mere handful of managed care plans. Virtually every organization signing onto this correspondence has received reports of:

Consumers being denied access to emergency services despite being in psychiatric crisis.

Health care plans applying rigid utilization review criteria that radically reduce the availability of outpatients mental health services.

Treatment plans, diagnoses and related clinical decisions being reviewed by health plan personnel with no prior medical or mental health training whatsoever.

HMO drug formularies insisting upon the lowest-cost psychotropic medications, which may be clinically inappropriate for individuals with more serious mental disorders.

Procedural disputes should not inhibit free and fair debate of consumer protection legislation on the floor. Key issues like access to specialists, medical necessity, point of service, legal accountability and related matters should now be considered by the full Senate. The starting point for debate could involve any of the wide array of comprehensive bills now pending, including the measures endorsed by the House and Senate Republican leadership.

In our view, at this time, the only bill that represents meaningful reform is S. 1890, the Patients' Bill of Rights Introduced by Senator Daschle.

Sincerely,

American Academy of Child and Adolescent Psychiatry; American Association for Marriage and Family Therapy; American Association for Psychosocial Rehabilitation; American Association of Children's Residential Centers; American Association of Pastoral Counselors; American Association of Private Practice Psychiatrists; American Board of Examiners in Clinical Social Work; American Counseling Association; American Federation of State, County and Municipal Employees; American Family Foundation.

American Group of Psychotherapy Association; American Nurses Association; American Occupational Therapy Association; American Orthopsychiatric Association; American Psychiatric Association; American Psychiatric Nurses Association; American Psychoanalytic Association; American Psychological Association; Anxiety Disorders Association of America; Association for the Advancement of Psychology.

Association for Ambulatory Behavioral Healthcare; Association of Behavioral Healthcare Management; Bazelon Center for Mental Health Law; Child Welfare League of America; Children and Adults with Attention Deficit Disorder; Clinical Social Work Federation; Corporation for the Advancement of Psychiatry; International Association of Psychosocial Rehabilitation Services; National Alliance for the Mentally Ill; National Association for Rural Mental Health.

National Association of Protection and Advocacy Systems; National Association of Psychiatric Treatment Centers for Children; National Association of School Psychologists; National Association of Social Workers; National Council for Community Behavioral Healthcare; National Mental Health Association.

Mr. KENNEDY. Mr. President, we heard today from Jackie Shannon. She is the president of the National Alliance for the Mentally Ill, NAMI, and the mother of a son with schizophrenia. I would like to read from her very, very moving testimony. This passage refers to a woman named Pam Childs from Miami, Florida and her problems with manic-depressive illness:

Pam was a Ph.D. psychologist who specialized in treating children and adolescents . . . Repeatedly, Pam's HMO told her that the treatment being recommended by her doctors were ''not part of the plan.'' On several occasions, doctors who made progress in treating Pam were later told that they were ''being taken off the plan.'' Pam Childs never got the treatment she needed, and this story did not have a happy ending. On July 2 of this year, at 34 years of age, Pam took her own life by leaping from the window of her father's 15-story apartment.

Mr. President, Jackie Shannon also told us about the problems the mental health community faces in terms of access to various prescription drugs. The prescription drug formularies used by insurance companies limit access to the newest and most effective medications. I would like to read from her testimony:

Over the past decade, the most far-reaching advances in the treatment of brain disorders such as schizophrenia and manic-depressive illness have all been in the area of prescription drugs. These new medications are highly effective in treating severe symptoms, without many of the disturbing side effects associated with older medications. While some of these medications may cost more at the front end, they deliver significant long-term savings through fewer and

shorter hospitalizations, and, more importantly, a higher quality of life for consumers.

Unfortunately, managed care plans too often use formularies—restrictive lists and bureaucratic rules—to limit access to the newer, more effective medications. What kind of rules? A 1997 survey of managed behavioral health plans by NAMI revealed widespread use of policies such as prior authorization, and what they call ''twice-fail'' requirements as parts of the formulary.

These ''twice fail'' rules are especially offensive to the NAMI members. Our survey found that some managed care plans actually require patients to fail on older, cheaper medications multiple times before being able to access the newer medication. NAMI believes that psychiatrists and their patients should be able to select the medication that is right for them based on clinical effectiveness, not on a managed care plan's financial bottom line. The best treatment available should be the treatment of first choice.

Do we understand that, Mr. President? The best treatment available ought to be the treatment of first choice. The Democratic version of the Patients' Bill of Rights guarantees that. It would allow the doctors to overrule a plan's restrictive drug formulary when it is in the patient's interests. The Republican bill would not.

Now, Mr. President, this is an issue of particular importance to persons with mental illness who need these newer drugs. We hear case after case of patients who would be helped if they had access to the newest and most effective medications. We heard of one young person whose plan required him to use the cheaper drugs and demonstrate their failure not just once, but twice, before they would even be eligible for the right drugs. This is one of the reasons that we provide this kind of protection in our Patients' Bill of Rights. We believe it is important to ensure that the doctor can to say, This is the kind of prescription drug that is necessary to deal with your particular health need and that the plan will cover it, if the plan offers drug coverage.

That is a very important protection. We would like to debate that issue. If the Republican leadership does not believe that we ought to provide that kind of protection, they should come to the floor of the Senate and let's call the roll. This is not a complicated issue. It is not a very complicated issue. But it is one of the very important protections that exist in our bill and which does not exist in the Republican bill.

The American people have been effectively denied—with the various proposals that have been offered by the majority leader in terms of the debate of the Patients' Bill of Rights—from seeing where the Senate stands on these important issues. The leadership has said, in reference to their proposal, You can either take it or leave it. They are attempting to gag not only the doctors in this country from giving the best advice on health care needs, but they are also attempting to gag the Senate from having any kind of debate or discussion on these issues, let alone a vote on them. That is very, very important, Mr. President. The National Association of Mentally Ill feel that access to prescription drugs is of enormous importance to their membership. Their view is shared by all of the leading mental health organizations. That is why the 36 different groups have indicated strong support for the Democratic Patients Bill of Rights.

Mr. President, I refer right here to this chart that compares our Patients' Bill of Rights, which puts patients before profits, and the Republican legislation. Right here, No. 11—access to doctor prescribed drugs—the question is whether you will be able to get the kind of prescription drug—new or old, perhaps somewhat more expensive—that your doctor recommends, or be forced to take only those medications that are listed on the HMO plan and just do not work for you.

Mr. President, this forum that we had was just the most recent one in which we heard patients and doctors and nurses pleading with the Republican leadership to act on real managed care reform before the end of the year.

At today s forum, I spoke about a particularly tragic set of circumstances surrounding the case of a man who died because his plan denied necessary treatment. In this case, however, like too many others, the plan was not held accountable for its abusive actions. Let me just tell you, Mr. President, about this very tragic case.

Richard Clarke of Haverhill, MA, was struggling to deal with a serious problem of substance abuse. His health plan clearly covered 30 days of inpatient rehabilitation. But when Mr. Clarke's doctor admitted him to a detoxification program, the plan provided only 5 days of treatment. His treatment was cut short, and his pattern of abuse and inadequate treatment continued. Shortly after the first hospitalization, his doctor again tried to admit him. But his HMO approved just 8 days of inpatient rehabilitation. And 24 hours after this discharge, Mr. Clarke attempted suicide. Again, he was referred for additional inpatient treatment, but this time the HMO refused to pay for any additional services—even though his policy clearly should have covered 17 additional days.

At this point, a judge committed Mr. Clarke to a State correctional center. Mr. Clarke was abused in that center and received only minimal treatment. Tragically, just a few weeks after being discharged from the correctional center, Mr. Clarke committed suicide at age 41. He left a widow and four children and 17 days of inpatient rehabilitation coverage on his insurance policy—17 days that were not used, 17 days that were repeatedly denied by the HMO. And he took his life.

His widow took the insurance plan to Federal court. But Judge William Young had no choice but to reluctantly dismiss the case because the Federal law protected the HMO from accountability for its actions.

Judge Young was frank in his opinion:

> Federal law has evolved in a shield of immunity that protects health insurers. . . and other managed care entities from potential liability for the consequences of their wrongful denial of health benefits. The Federal law thwarts the legitimate claims of the very people it was designed to protect.

There it is, Mr. President, an example of an individual who needed help, consolation, rehabilitation, and attention, but was denied it by the HMO. A tragic, tragic ending, with the HMO responsible—I believe, just from a reading of these facts—or certainly contributing to the anxiety and ultimately to the untimely death, and the loss of this father of four children. And, under current law, the HMO is able to stand back and say, no, we can't be sued. And they cannot be, Mr. President.

That particular issue is addressed in our legislation. Right here on the chart where we say ''ability to hold plans accountable.'' But it is not in the Republican legislation. We looked through their bill. It is not there, but it is in ours. Another issue to debate. Another issue to discuss. Another issue to vote on. It is not very complicated. Are you going to hold a plan accountable when its decisions result in the death or serious injury of an individual who may be the breadwinner for a family? Are you going to deny a family the opportunity to hold insurance companies responsible if a loved one has been the recipient of negligent treatment?

We ought to be able to vote on that. It is not very complicated. But no, no, we cannot even bring that up. We cannot even debate it. It is a crucial matter, certainly, to the Clarke's or any other family in this situation. It is a crucial matter to millions of other families.

Mr. President, there are millions of Americans who have that kind of protection today, but it is not guaranteed to over 120 million Americans who receive their insurance through employers in the private sector. It is not guaranteed. It is effectively excluded. Mr. President, more than 40 million Americans can hold their HMOs accountable, but more than 120 million others cannot. The others cannot. Why not, we might ask? Because the power of the special interests will not permit us to get to this legislation, to consider it, debate it, and call the roll on it.

Mr. President, this forum was just the most recent one in which we have heard the patients and doctors and nurses pleading with the Republican leadership to act on real managed care reform. Several weeks ago, we heard from Dr. Charlotte Yeh, an emergency doctor from Boston who also is a leader in the American College of Emergency Physicians. In fact, we have had the leaders of many of these professional groups appear in these forums—representatives of from many of the more than 180 different groups of patients and doctors, nurses, health professionals that support our legislation.

Dr. Yeh described cases where HMOs denied treatment that patients needed because of managed care penny-pinching. She indicated she was appearing at the forum ''representing the concerns of 20,000 emergency physicians, on behalf of 90 million patients we see every year.'' She went on to say, ''For emergency physicians protecting patients is not just a job, it is our lives.'' They are strongly in support of our legislation. They strongly believe that we ought to have an opportunity to debate this legislation. They are strongly opposed to Republican leadership, and are concerned about the leadership s refusal to let us have an opportunity to debate the legislation. This is what Dr. Yeh commented on:

For the last several years, the tactics of the managed care industry with respect to coverage of emergency care has become a national issue.

* * * * *

We've all heard the stories.

In Detroit, a 46-year old woman collapsed in her husband's arms and was rushed to the hospital by ambulance. She died of cardiac arrest after a failed resuscitation attempt. Unbelievably, her managed care plan later denied payment for her treatment because she did not call for prior approval.

In Boston, a boy's leg was seriously injured in an auto accident. At a nearby hospital, emergency doctors told the parents he would need vascular surgery to save his leg and a surgeon was ready and available in the hospital.

Unfortunately, for this young man, his insurer insisted he be transferred to an ''in-network'' hospital for the surgery. His parents were told if they allowed the operation to be done anywhere else, they would be responsible for the bill. They agreed to the move. Surgery was performed three hours after the accident. But by then, it was too late to save his leg.

These are not episodes from the TV program, ''ER''. These are not anecdotes. They are real people with real lives.

A bipartisan majority in the Congress has called for enactment of standards that will put an end to episodes like the ones I just described. Last year, the Congress adopted the prudent layperson standard and other protections for Medicare and Medicaid patients seeking emergency care. Millions of Medicare and Medicaid beneficiaries have these protections, but not the 160 million people outside of those programs. They do not have these protections.

She continues:

We thought there was consensus on this issue. . . . But we are very disturbed about the way in which the emergency service protections were drafted in the Republican ''Patient Protection Act.'' As a physician, it seems that a little unnecessary surgery was performed on the ''prudent layperson'' standard to the point where barely recognizable as the consumer protection we envisioned.

Mr. MCCAIN. Will the Senator from Massachusetts yield?

Mr. KENNEDY. Yes.

Mr. MCCAIN. Just for a question. The Senator from Massachusetts, I know, wants to indulge his colleagues. We have Senator INHOFE on the floor on an amendment on pending legislation, and Senator ROTH to follow him. So if he could perhaps very quickly allow the amendment process to proceed, I would appreciate it very much. I thank the Senator from Massachusetts.

Mr. KENNEDY. Seeing Senators are here and ready to move ahead, I will just make some few concluding remarks on this issue and then get back to it at another time. I think we could have been debating this, rather than just filling in the time with the quorum calls, which we have been doing frequently. So I indicate to colleagues, I will make some concluding remarks for just a few more minutes and then yield the floor. Again, from Dr. Yeh's testimony:

What's the difference between the real ''prudent layperson'' standard included in the Balanced Budget Act and the Democratic Patients Bill of Rights and the imposter that has been included in the GOP Patient Protection Act?

The GOP Patient Protection Act would establish a weaker coverage standard for privately insured patients than what exists for Medicare and Medicaid patients.

This is not Senator DASCHLE or myself making this statement, this is a leading member of the American College of Emergency Physicians—doctors who deal with this problem every single day—talking about how the GOP Patient Protection Act is a fraud.

She continues along. I ask unanimous consent to have her full statement printed in the RECORD.

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

TESTIMONY OF CHARLOTTE YEH, MD, FACEP, CHAIR, FEDERAL GOVERNMENT AFFAIRS COMMITTEE, AMERICAN COLLEGE OF EMERGENCY PHYSICIANS

Thank you very much. I am Dr. Charlotte Yeh, a practicing emergency physician at the New England Medical Center in Boston, MA. I am here today representing the concerns of nearly 20,000 emergency physicians and on behalf of the 90 million patients we see every year. For emergency physicians, protecting patients is not just a job, it's our life.

For the last several years, the tactics of the managed care industry with respect to coverage of emergency care has become a national issue. I'm pleased to be here today as we try to enact meaningful patient protections that will ensure that patients get not only the care they deserve, but that they also get the coverage that their managed care plan promised them.

We've all heard the stories.

In Detroit, a 46-year old woman collapsed in her husband's arms and was rushed to the hospital by ambulance. She died of cardiac arrest after a failed resuscitation attempt. Unbelievably, her managed care plan later denied payment for her treatment because she did not call for prior approval.

In Boston, a boy's leg was seriously injured in an auto accident. At a nearby hospital, emergency doctors told the parents he would need vascular surgery to save his leg and a surgeon was ready and available in the hospital.

Unfortunately, for this young man, his insurer insisted he be transferred to an ''in-network'' hospital for the surgery. His parents were told if they allowed the operation to be done anywhere else, they would be responsible for the bill. They agreed to the move. Surgery was performed three hours after the accident. But by then, it was too late to save his leg.

These are not episodes from the TV program, ''ER''. These are not anecdotes. They are real people with real lives.

A bipartisan majority in the Congress has called for enactment of standards that will put an end to episodes like the one I just described. Last year, the Congress adopted the prudent layperson standard and other protections for Medicare and Medicaid patients seeking emergency care. We thought there was a consensus on this issue!

Just a few weeks ago, we were delighted to see that Republican Task Forces in both the House and Senate had decided to include the ''prudent layperson'' standard in their respective patient protection measures.

But we are very disturbed about the way in which the emergency services protections were drafted in the Republican ''Patient Protection Act.'' As a physician, it seems that a little Unnecessary surgery was performed on the ''prudent layperson'' standard to the point where it is barely recognizable as the consumer protection we envisioned.

What's the difference between the real ''prudent layperson'' standard included in the ''Balanced Budget Act'' and the Democratic ''Patient's Bill of Rights'' and the ''imposter'' that has been included in the GOP ''Patient Protection Act?''

The GOP Patient Protection Act would establish a weaker coverage standard for privately insured patients than what exists for Medicare and Medicaid patients.

The Democratic bill would provide the same protections for all patients.

The GOP Patient Protection Act establishes a two-tiered test for coverage of emergency services and guarantees coverage only for a ''screening examination.''

The Democratic bill would require that health plans cover all services necessary to evaluate and stabilize the patient to anyone who meets the prudent layperson standard—no questions asked!

The GOP Patient Protection Act sets no limits on the amount of cost-sharing the managed care plans would be allowed to charge patients who seek emergency services from a non-network provider.

The Democratic bill would protect patients who reasonably seek emergency services to protect their health from being charged unreasonable co-pays and deductibles.

The GOP Patient Protection Act provides sets no guidelines for the coordination of post stabilization care, making it impossible for emergency physicians to coordinate and obtain authorization for necessary follow-up care with the managed care plans.

The Democratic bill would require health plans to adhere to new federal guidelines that require managed care plans to be available to coordinate post stabilization care, instead of just permitting the managed plan to turn off the phone at 5:00 o'clock.

Obviously, we are very troubled by the changes to the ''prudent layperson'' standard in the ''Patient Protection Act.''

Our assessment is that this legislation—Will provide less protection for privately insured patients than for Medicare and Medicaid patients; Will lead to more coverage disputes, not less; Will create even more barriers, not fewer; and Will create new loopholes for managed care plans to deny coverage of emergency services.

In four years, we have come so far, but we cannot support these provisions in their current form. We will do everything in our power to ensure that the ''prudent layperson'' standard that is enacted will be consistent with the meaningful protections that Congress enacted for Medicare and Medicaid beneficiaries. Hard-working Americans who pay their premiums deserve no less.

Mr. KENNEDY. We heard from cancer patients, and their doctors, who explained that the Patients' Bill of Rights is critical to ensuring patients

access to quality clinical trials. These trials are often the only hope for patients with incurable cancer or other diseases where conventional treatments are ineffective. They are the best hope for learning to cure these dread diseases.

Insurance used to routinely pay the doctor and hospital costs associated with clinical trials, but managed care plans are refusing to allow patients to participate. Our bill forces the insurance companies to respond to these needs, but the Republican bill does not. And they refuse to debate this issue. Here it is on the chart, ''Access to Clinical Trials.'' We provide this protection, and they do not.

Yet, this is very important for women who are battling breast cancer. It is important for children—like my own son, Teddy, who was able to get into a clinical trial when he had osteosarcoma at age 12, and survive that dread disease. He is alive today because he was in a clinical trial.

Mr. President, as I have pointed out before, these are the guarantees that are in our legislation. Under our proposal, the doctor, the medical professional, will make the decisions on medical treatment for the patient—be that you or your spouse or your child or your grandchild. Medical decisions will not be made by an insurance company accountant. That is what is at the heart of the differences between the two pieces of legislation.

We welcome an opportunity to just say we will take 10 of the issues on this list, and vote on those measures and vote on the legislation, while permitting our Republican friends to have a similar number of amendments. But let us at least get about it in these final days. It is not too late. It must not be too late, or we would not see the kinds of activity to deny or delay action on this legislation by our Republican friends each day.

Just in conclusion, earlier in the day—although this was not advanced, it was circulated by the majority—there was a unanimous consent that was going to be proposed on the Internet tax legislation. I will include the whole provision in the RECORD.

This was circulated to see whether there would be any objection on the Democratic side. It basically allowed all types of amendments—unlimited first and second degree amendments or amendments that are not relevant to the Internet tax issues in the underlying bill—but, and this is important, no health care amendments. Here is the text that would have been spoken by the Majority leader, ''I further ask that during the Senate's consideration of S. 442 or the House companion, no amendments relative to health care be in order.'' There you have it: One piece of legislation, with possibilities for all other legislation, except one—health care, the Patients' Bill of Rights, guaranteed protections for more than 160 million people. Under this proposal from the Republican leadership, we are permitting other kinds of amendments, but we are going to say no amendments relative to health care be in order.

Thankfully, our Democratic leader rejected this, so it was not offered. But these are the tactics we are facing. We are as committed as ever to ensuring that we will have an opportunity to debate this issue—even if not on this particular measure. So we are going to continue to pursue it.

I thank the Chair and I yield the floor.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. MCCAIN. I yield to Senator ROTH to offer an amendment.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 3621

(Purpose: To extend the Airport and Airway Trust Fund expenditure authority)

Mr. ROTH. Mr. President, I send an amendment to the desk on behalf of Senator MOYNIHAN and myself.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself and Mr. MOYNIHAN, proposes an amendment numbered 3621.

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

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

The amendment is as follows:

At the end of the bill add the following:

TITLE IV—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

SEC. 801. EXTENSION OF EXPENDITURE AUTHORITY.

(a) IN GENERAL.—Paragraph (1) of section 9502(d) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

(1) by striking ''October 1, 1998'' and inserting ''October 1, 2000''; and

(2) by inserting before the semicolon at the end of subparagraph (A) the following ''or the Wendell H. Ford National Air Transportation System Improvement Act of 1998''.

(b) LIMITATION ON EXPENDITURE AUTHORITY.—Section 9502 of such Code is amended by adding at the end the following new subsection:

''(f) LIMITATION ON TRANSFERS TO TRUST FUND.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no amount may be appropriated or credited to the Airport and Airway Trust Fund on and after the date of any expenditure from the Airport and Airway Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

''(A) any provision of law which is not contained or referenced in this title or in a revenue Act; and

''(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this subsection.

''(2) EXCEPTION FOR PRIOR OBLIGATIONS.—Paragraph (1) shall not apply to any expenditure to liquidate any contract entered into (or for any amount otherwise obligated) before October 1, 2000, in accordance with the provisions of this section.''.

Mr. ROTH. Mr. President, this amendment contains the necessary conforming changes to the Tax Code required by this reauthorization bill. This amendment does not affect Federal revenues. Therefore, this bill remains a nonrevenue bill. This amendment will allow expenditures from the Airport and Airway Trust Fund to occur as authorized by the underlying legislation relating to airport construction, maintenance and technology.

It will also help ensure our air traffic control system continues to provide safe and efficient services.

It is my understanding that this amendment is acceptable to both sides of the political aisle. At the appropriate moment, I will urge its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I thank the distinguished chairman of the Finance Committee. As always, he has been extremely cooperative and helpful as we have this kind of legislation out of the Commerce Committee, which sometimes has tax implications. I am very grateful for the continued cooperation and effort to not encroach on the jurisdiction of the Finance Committee and also to make sure that their views and their authority are well recognized.

The crucial programs in this legislation are directly dependent upon the ability of the FAA to spend moneys out of the aviation trust fund, and the trust fund itself is supported by revenues from the aviation excise taxes which are paid by all air travelers.

I thank Senator ROTH for his cooperation in our effort to keep necessary funds flowing to aviation programs. His amendment will help keep the FAA on sound financial footing.

He and his staff have been very helpful in our efforts on this bill. I want to clarify with the chairman that this amendment merely authorizes expenditures from the trust fund for 2 years and prevents expenditures from the trust fund without an authorization in place?

Mr. ROTH. Mr. President, I say to my distinguished colleague, that is correct; that is the intent of the amendment.

Mr. MCCAIN. Mr. President, I am not aware of any objection. In fact, I support the amendment. I will urge adoption of the amendment after the Senator from Kentucky speaks.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. I thank the Chair. There is no objection to the distinguished Senator's amendment on this side.

Mr. ROTH. I urge adoption of the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment is agreed to.

The amendment (No. 3621) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRIVILEGE OF THE FLOOR

Mr. FORD. Mr. President, I ask unanimous consent that Dan Alpert and Walter Dunn, fellows in the office of Senator BINGAMAN, be granted the privilege of the floor during consideration of S. 2279.

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

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 3620

(Purpose: To provide for the immediate application of certain orders relating to the amendment, modification, suspension, or revocation of certificates under chapter 447 of title 49, United States Code)

Mr. INHOFE. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oklahoma [Mr. INHOFE] proposes an amendment numbered 3620.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. ___. AMENDMENTS, MODIFICATIONS, SUSPENSIONS, AND REVOCATIONS OF CERTIFICATES.

Section 44709 of title 49, United States Code, is amended—

(1) in subsection (e)—

(A) by striking ''When'' and inserting ''(1) Except as provided in paragraph (2), if''; and

(B) by striking ''However, if'' and all that follows through the end of the subsection and inserting the following:

''(2) If the Administrator determines, in the order, that an emergency exists and safety in air commerce or air transportation requires the order to be effective immediately—

''(A) subject to subparagraph (B), the order shall be in effect unless the Administrator is not able to prove to the Board, upon an inquiry of the Board, the existence of an emergency that requires the immediate application of the order in the interest of safety in air commerce and air transportation; and

''(B) the Board shall—

''(i) not later than 5 days after the filing of an appeal under paragraph (1), make a disposition concerning the issues of the appeal that are related to the existence of an emergency referred to in subparagraph (A); and

''(ii) not later than 60 days after the filing of an appeal under paragraph (1), make a final disposition of the appeal.

''(3) If the Administrator determines, in the order, the existence of an emergency described in paragraph (2)(A), the appellant may request a hearing by the Board on the issues of the appeal that are related to the existence of the emergency. Such request shall be made not later than 48 hours after the issuance of the order. If an appellant requests a hearing under this paragraph, The Board shall hold the hearing not later than 48 hours after receiving that request.''; and

(2) in subsection (f), by inserting ''by further order'' after ''the Administrator decides''.

Mr. INHOFE. Mr. President, this amendment is one that should not be controversial. I can recall as recently as the Oshkosh meeting this last August where they voted—and we are talking about 250,000 people who were involved—to say this is the No. 1 issue for general aviation in America this entire year and perhaps for several years.

It has to do with a process that is very similar to something we went through a few years ago. When the FAA exercises its power to invoke an emergency revocation of a license, they can do so for an indefinite period of time and that person will lose that license. In many cases, it may be this person's only way of making a living.

We have worked for several years to come up with some type of a compromise that will allow an individual to recover his license in the event that it is shown there is nothing dangerous in the way that individual had been flying. It is very unfortunate that in any bureaucracy, there are a few people who will occasionally do something that is not justified.

I share with you, Mr. President, a case of an individual named Ted Stewart who had been employed by American Airlines as a pilot for more than 12 years and presently serves as a Boeing 767 captain. No complaints had ever been registered against him or his flying.

In January of 1995, the FAA suspended Mr. Stewart's examining authority. And the reason? Possibly improper issuing of ratings. He complied with the FAA request that he provide log books and/or other reliable records for inspections. On May 16, 1995, an emergency revocation was issued, and he lost his airman certificates.

June 19, 1995, the National Transportation Safety Board Administrative Law Judge Mullins ruled in Mr. Stewart's favor on all counts. In July of 1995, the full NTSB upheld Judge Mullins' initial decision. All pilot certificates were returned. I point out, this is almost 2 months after the revocation. In January of 1996, he was awarded approximately 60 percent of the money spent to defend himself. The FAA appealed the ruling and it is still pending before the full NTSB.

What I am getting at is, we have case after case where individuals have lost their ability to make their living for their families when there was not any type of an emergency, there was not any type of a hazard in their performance in terms of their acting as a pilot.

What we are trying to do is similar to what we did successfully a few years ago under the civil penalties provision, and that is, insert into the process an unbiased source that will be able to participate in the process. In the case of civil penalties, we had the NTSB to hear the cases after they have been ruled on by the FAA. This has been working very well since that time.

My amendment, as far as it addresses the emergency revocation, addresses the problem prudently by providing an airman—that is the pilot—48 hours after receiving an emergency revocation order the opportunity to request a hearing before the NTSB on the emergency nature of the revocation. This is not on the offense, this is on the emergency nature as to whether or not this would be an emergency. The NTSB then has 48 hours to hear the arguments. Within 5 days of the initial request, the NTSB must decide if a true emergency exists. During this time, the emergency revocation remains in effect.

In other words, the certificate holder loses use of his certificate for a maximum of 7 days. However, should the NTSB decide an emergency does not exist, then the certificate will be returned to the certificate holder, and he can continue to use it while the FAA pursues their revocation case against him.

Keep in mind, no emergency exists, nothing is done to impose a hazard on himself or the public.

If the NTSB decides that an emergency does exist, then emergency revocation remains in effect and the certificate holder cannot use his certificate while the case is adjudicated. That would revert back to the way the law is today. That individual would not be able to fly. So all we are talking about is whether or not there is an emergency nature in this case.

Please do not misunderstand, in no way do I want to suggest that the FAA should not have emergency revocation powers. I believe it is critical to safety that the FAA can ground unsafe airmen or other certificate holders. However, I also believe that the FAA must be judicious in its use of the extraordinary power.

The FAA will argue that because emergency certificate actions are only a small percentage of overall certificate actions, there is no reason for this concern. However, review of recent emergency cases clearly demonstrates a pattern by which the FAA uses their emergency powers far more frequently than the circumstances warrant.

For instance, of the emergency revocation orders issued during fiscal year 1990 through 1997, 50 percent occurred 4 months to 2 years after the violation occurred. In only 4 percent of the cases was the emergency revocation issued

within 10 days or less of the actual violation. In fact, the median time lapse between the violation and the emergency order was a little over 4 months. That is 132 days, Mr. President. I suggest to you, how can that be considered an emergency if nothing happened until 132 days after the alleged violation?

I think clearly at issue is what constitutes an emergency. Simply defined, an emergency is ''an unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action.'' Yet, as discussed above, the ''urgent nature'' of the revocation which ''demands immediate action'' has more often than not occurred several months previously.

There are far too many cases where the FAA unfairly uses this necessary power to prematurely revoke certificates when the circumstances do not support such drastic action.

Mr. President, I have other cases that I could drag out here and talk about, such as the case of Bob Hoover. I have had the privilege of flying in airshows with Bob Hoover for over 30 years. Bob Hoover—probably if you were to ask anyone in the aviation community who the best pilot in America is, they would probably say Bob Hoover. Yet he was the victim of the emergency revocation. We had to go to bat for him, and we had literally thousands of letters from all over America coming to the aid of Bob Hoover because everybody knew there is nothing wrong and nothing of an emergency nature to the revocation of his ability to fly.

So, Mr. President, I feel that this being the No. 1 concern and issue of general aviation today—it is a sense of fairness issue, something that has worked very well in the case of civil penalties—it is one that I feel should be changed in the FAA regulations.

Mr. President, I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I ask unanimous consent I be allowed to speak as in morning business for up to 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. Mr. President, I do not mean to end this, but we are getting to the point where we have amendments up. And apparently no one wants to vote tonight, but we would like to get our amendments up. And Senator AKAKA has remarks as it relates to the legislation itself. I do not want to prevent——

Mr. GRAMS. This will be very brief.

Mr. FORD. Fine.

Mr. GRAMS. I thank the Senator from Hawaii. I did talk to him and ask if it was all right.

Mr. FORD. We are trying to move this legislation forward. And I did not want to cut the Senator from Oklahoma off either.

The PRESIDING OFFICER. Without objection, the Senator from Minnesota is recognized as in morning business.

Mr. GRAMS. Thank you, and I again thank the Senator from Hawaii for allowing me to make a brief statement.

TRIBUTE TO MURIEL HUMPHREY BROWN

Mr. GRAMS. Mr. President, I rise today to pay tribute to Muriel Humphrey Brown, who was the widow of the late Senator and Vice President Hubert Humphrey and known to many throughout my state as Minnesota's ''First Lady.''

Mrs. Humphrey Brown passed away on Sunday at the age of 86. Throughout her life, she remained steadfast in her dedication to family and her interest in politics. In her last public appearance, just 5 days before her death, she was on hand to congratulate her son, Skip Humphrey, for winning the Minnesota DFL gubernatorial primary.

Many of my colleagues knew her, respected her, and join me in offering our heartfelt condolences to her husband, Max Brown, her sons Hubert, Doug and Bob, her daughter Nancy, and the entire Humphrey family.

Muriel Humphrey Brown was born on February 20, 1912, in Huron, SD. After marrying Hubert Humphrey, she became a devoted mother and enthusiastically took on the role of a political wife.

She played an active part in her husband's numerous campaigns. After Hubert's death in 1978, Muriel was appointed to his Senate seat, the same Senate seat that I am proud to hold today. By finishing out her late-husband's term, Muriel Humphrey Brown became Minnesota's first and only female U.S. Senator and just the 12th woman to serve in the U.S. Senate. In fact, she was the only woman serving in the Senate at that time.

In carrying out her husband's Senate term, Muriel Humphrey Brown was an inspiration to women throughout Minnesota as she accepted the call to public service even in her time of great personal loss. Rather than being known simply as the wife of the most popular politician in Minnesota, Muriel left her own mark on those issues of public policy about which she felt so strongly.

Her calm and gentle manner did not mute her passionate voice on behalf of social programs, labor issues, and the mentally disabled. She once described her term in the Senate as, ''the most challenging thing I have ever done in my whole life.'' In 1979, she married Max Brown and lived the rest of her life out of the political spotlight. Her devotion to family and public service is truly an inspiration to all Minnesotans, and I am proud to say that her legacy will remain. It is a special honor for me to hold the Senate seat she once held, in the Chamber where she served with such grace, dignity, and honor.

Thank you very much, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. AKAKA. Mr. President, I support S. 2279, the Wendell H. Ford National Air Transportation System Improvement Act of 1998. This measure will enhance the safety and efficiency of our air transportation system, upon which the island state of Hawaii is uniquely dependent. I am pleased that this weighty legislation is named for the departing senior senator from Kentucky, whose contributions to aviation are legion. I am especially supportive of Title VII of the bill which addresses the issue of air tour operations at national parks.

Mr. President, Title VII of S. 2279 establishes a comprehensive regulatory framework for controlling air tour traffic in and near units of the National Park System. The legislation requires the Federal Aviation Administration, in cooperation with the National Park Service and with public input from stakeholders, to develop an air tour management plan (ATMP) for parks currently or potentially affected by air tour flights.

Under the ATMP process, routes, altitudes, time restrictions, limitations on the number of flights, and other operating parameters could be prescribed in order to protect sensitive park resources as well as to enhance the safety of air tour operations. An ATMP could prohibit air tours at a park entirely, regulate air tours within half a mile outside the boundaries of a park, regulate air tour operations that impact tribal lands, and offer incentives for the adoption of quieter air technology. An ATMP would include an environmental determination.

S. 2279 also creates an advisory group comprising representatives of the FAA, Park Service, the aviation industry, the environmental community, and tribes to provide advice, information, and recommendations on overflight issues.

As embodied in the ATMP process, this bill treats overflights issues on a park-by-park basis. Rather than a one-size-fits-all approach, the legislation establishes a fair and rational mechanism through which environmental and aviation needs can be addressed in the context of the unique circumstances that exist at individual national parks.

I am pleased that this procedural approach, in addition to requirements for meaningful public consultation and a mechanism for promoting dialogue among diverse stakeholders, mirrors key elements of legislation—the National Parks Airspace Management Act, cosponsored by my colleagues Senator INOUYE and Senator FRIST—that I have promoted in the last three Congresses.

Mr. President, adoption of this bill is essential if we are to address effectively the detrimental impacts of air tour activities on the National Park

System. Air tourism has significantly increased in the last decade, nowhere more so than at high profile units such as Grand Canyon, Great Smoky Mountains, and Haleakala and Hawaii Volcanoes national parks in my own state. A 1994 Park Service study indicated that nearly a hundred parks experienced adverse park impacts, and that number has assuredly risen since then. Such growth has inevitably conflicted with the qualities and values of many park units, in some instances seriously.

While air tour operators often provide important emergency services, enhance park access for special populations (e.g., the handicapped and elderly), and offer an important source of income for local economies, notably tourism-dependent areas such as Hawaii, unregulated overflights have the potential to harm park ecologies, distress wildlife, and impair visitor enjoyment of the park experience. Unrestricted air tour operations can also pose a safety hazard to air and ground visitors alike.

It is therefore vital that we develop a clear, consistent national policy on this issue, one that equitably and rationally prioritizes the respective interests of the aviation and environmental communities. Congress and the Administration have struggled to develop such a policy since enactment of the National Parks Overflights Act of 1987, Congress's initial, but limited attempt to address the overflights issue. S. 2279 will finish where the 1987 Act left off, providing the FAA and Park Service with the policy guidance and procedural mechanisms that are essential to balancing the needs of air tour operators against the imperative to preserve and protect our natural resources.

Mr. President, the overflights provisions of this bill are the product of good faith efforts on the part of many groups and individuals. They include: members of the National Parks Overflights Working Group, whose consensus recommendations form the underpinnings of this legislation; representatives of air tour and environmental advocacy organizations such as Helicopter Association International and the National Parks and Conservation Association; and, officials of the FAA and Park Service, notably Park Ranger Wes Henry, the Park Service's long-serving point man on overflights, who has served as the agency's institutional memory and conscience on this issue.

However, Title VII is above all the product of the energy and vision of Senator JOHN MCCAIN. As the author of the 1987 National Parks Overflights Act, Senator MCCAIN was the first to recognize the adverse impacts of air tours on national parks, and the first to call for a national policy to address this problem. Since then, he has employed his moral authority and legislative acumen impel progress on this subject. For his leadership in writing this bill and for his long advocacy of park overflight issues, Senator MCCAIN deserves our lasting appreciation.

Mr. President, I am tremendously honored to have worked closely with Senator MCCAIN over the last year to formulate an overflights bill that promotes aviation safety, enhances the viability of legitimate air tour operations, and protects national parks from the most egregious visual and noise intrusions by air tour helicopters and other aircraft. Left unchecked, air tour activities can undermine the very qualities and resources that give value to a park; these must be protected. I believe that the pending measure reasonably and prudently balances these sometimes opposing considerations, and urge my colleagues to support this legislation.

That concludes my remarks, Mr. President. Before closing, however, I would like to recognize the staff of the Commerce Committee—including John Raidt, Mike Reynolds, Charles Chambers, Sam Whitehorn, and Ann Choiniere—for their hard work in putting this legislation together. Ann Choiniere especially deserves mention for her day-to-day management of this issue. I would also like to recognize former members of my own staff, Kerry Taylor, Bob Weir, and Steve Opperman, who made important contributions to this issue. Steve in particular has served as an expert resource whose tireless, and largely unheralded contributions have shaped the overflights debate in a major way.

I yield the floor.

Mr. MCCAIN. Before my dear friend from Hawaii leaves the floor, let me thank him for his kind words. As always, he is too modest. For many years now he and I have worked together on this issue. His dedication to the protection and preservation of Haleakala's and Hawaii's volcanoes is notable. It is noteworthy and it is in keeping with his incredible dedication, passion and efforts on behalf of his Native Hawaiians, as well as all citizens of his most beautiful State.

I thank the Senator from Hawaii for his kind remarks.

Mr. FORD. I associate myself with the remarks of the distinguished chairman, and thank my friend from Hawaii for his kind remarks about me personally. It seems that more of these remarks are coming as the days near the end, and maybe I won't want the days to end, but I do thank my friend from Hawaii very much.

AMENDMENT NO. 3620

Mr. MCCAIN. Mr. President, I want to go back to the amendment of the Senator from Oklahoma. I admire the tenacity and commitment to aviation of the Senator. Also, I have had the privilege of personally experiencing his piloting skills while being with him in the great State of Oklahoma. Although I must admit that my willingness to ride in an airplane with him while he was at the controls had more to do with my conviction that because of my colorful history associated with aviation having long ago convinced me I was not intended to die in an airplane, as I watched my dear friend from Oklahoma fly into what one would describe as ''threatening weather'' with intrepid courage and skill, I have grown to appreciate him even more.

Associated with that kind of piloting skills is his dedication to aviation and his tenacity associated with this issue specifically. I don't agree with the amendment of the Senator, but I do believe and I am convinced we can work out something which will be agreeable, because the Senator from Oklahoma does identify a problem. I don't agree with the Senator from Oklahoma that it is as big a problem, but when someone like Mr. Hoover, who he just described, is subjected to what he was subjected to, then there is a problem. But I am just not convinced that the remedy that the Senator from Oklahoma is prescribing is the proper remedy. He certainly, in a very articulate fashion, describes the problem we need to work together and address.

The FAA uses its emergency authority only as a remedial measure when a certificate holder lacks the necessary qualifications to hold the certificate, and the continued exercise of the privileges of the certificate would be contrary to public safety in air commerce or air transportation. All emergency suspensions are premised on a reasonable suspicion as to the certificate holder's qualifications.

FAA policy since approximately 1990 has generally been that an emergency exists in which a certificate holder lacks the technical qualifications, or the care, judgment, or responsibility to hold an FAA certificate, and remains in a position to use the certificated skills. In such cases, the FAA has reasoned that it intolerably threatens air safety to permit pilots, aircraft mechanics, or air carriers, for example, to operate or repair aircraft when the FAA has reasonably concluded that they do not possess the qualifications necessary to perform those functions. If it is clear that a certificate holder will be unable to exercise the privileges of the certificate, the FAA will not invoke an emergency suspension.

An emergency order is effective immediately upon issue, rather than being stayed pending conclusion of the adjudicative process. An expedited adjudication process is initiated since the certificate holder immediately loses his or her privileges. The FAA respects the privilege of holding a certificate, but must ensure as its primary mission the highest standards of aviation safety. Retaining authority to take immediate action in emergency situations is integral to the FAA's ability to carry out this mission.

While S. 842 would not limit the FAA's ability to immediately revoke a certificate, it would complicate the process of appealing such an order by providing new avenues of appeal in addition to those already existing. Currently, a person subject to an emergency revocation order may appeal the

emergency nature of that order to the U.S. Court of Appeals. There is no deadline for the Court of Appeals to act although the FAA claims that the court will usually rule within 5 to 7 days. According to the GAO, few choose to do this and even fewer prevail.

This amendment changes this procedure for challenging the emergency nature of a suspension. Rather than appealing to the Court of Appeals, the emergency nature of the revocation could be appealed to the NTSB. Under the amendment, the NTSB would have 5 days to decide whether it was really an emergency. If the person does not prevail before the NTSB, he or she would then be able to appeal to the U.S. Court of Appeals under the same circumstances as currently exist. This risks placing substantial strain on limited agency resources by creating a right to appeal to the NTSB, when there is no demonstrable need for such change.

Between 1993 and 1997 the FAA initiated an average of only 2.55% of its total enforcement caseload as emergency actions. This average demonstrates the FAA's commitment to using this authority only in those cases where the FAA finds that a serious question exists as to a certificate holder's qualifications, and no other action will suffice to ensure the highest standards of safety are maintained. Additionally, the FAA prevails on the vast majority of emergency actions before the NTSB, supporting its position that it has acted properly and not abused its authority. From 1990 through 1997, the FAA was reversed in only 2% of the cases in which emergency orders or revocation were issued, and in only 1% of the cases in which emergency orders of suspension were issued.

The FAA opposes S. 842. The agency argues that the bill does not alter what may be appealed, merely who would have jurisdiction of an appeal. The FAA believes that S. 842 does not make the process more effective or efficient, but rather creates several new final agency decisions, all of which would be subject to appeal in the Courts of Appeals, which in turn would complicate and potentially prolong, not streamline, the process.

The FAA has stated that, even if the bill is enacted, an equal number of emergency actions can be expected to be issued with the only result being the additional strain on FAA and NTSB resources in response to more appeals regarding the existence of an emergency. On the other hand, if the legislation results in a significant enough strain on FAA resources that the agency is discouraged from its current use of its emergency authority, the FAA argues that it would permit allegedly unqualified certificate holder to operate one to two years or longer, while the non-emergency litigation is ongoing. In sum, the FAA does not believe that its actions and record before the NTSB support the need for any change in the current system.

Mr. President, I am always reluctant, whenever we are talking about safety—and maybe it is a bit of cowardice, but I think it is good sense when we are talking about safety to be very, very, very serious about the recommendations of those agencies that we entrust with those responsibilities.

Obviously, the NTSB is one of those. As the Senator from Kentucky will attest, we have had the NTSB before our committees on many occasions—not just aviation, but many others. They are comprised of very outstanding, knowledgeable people. Mr. Hall, in particular, has impressed us a great deal.

I understand the Senator from Oklahoma will want a recorded vote. I want to assure him that if he doesn't prevail on this vote, I want to work with him because he has cited serious examples of abuse of power—or certainly injustice, if not abuse of power. The Senator from Oklahoma deserves, as those people who have not been fairly treated or where there is the appearance of unfair treatment—I won't allege that it actually happened, but certainly if there is an appearance of it, I want to work with him in getting something added in the bill to provide additional protections. At the same time, I hope that whatever we do, we can achieve the support and cooperation of both the FAA and the NTSB, which is not the case with this amendment.

I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Kentucky.

Mr. FORD. Mr. President, I join my chairman in his remarks. I thought they were excellent and to the point. I agree with Senator MCCAIN that we ought to work with the Senator from Oklahoma to see if we can get something in the bill that will at least recognize the problem that he has brought forth here this afternoon.

As of now, I will join with my colleague and oppose Senator INHOFE's amendment. It is my understanding that GAO, FAA, and the Department of Transportation IG have all looked at FAA's use of its emergency authority. There are only a few cases where the FAA has been reversed. GAO found that FAA used its authority in only 3 percent of its enforcement cases from 1990 to 1997. It shows a great deal of restraint that they only use it in cases where they think it is an emergency. And, as my friend from Arizona has said, most of those cases have been upheld. So FAA must have the authority—must have the authority—to revoke certificates on an emergency basis.

The National Transportation Safety Board, FAA, and GAO all oppose any change. Beyond that, I think I will join with my friend from Arizona in trying to work out something that might be satisfactory, rather than just to look at it a little closer than we have been looking at it. We can all find one or two horror stories. I don't know how many certificates were revoked. I don't know how many charges were presented to the FAA. Those figures are not here. But in all cases, the percentage that Senator MCCAIN represented—2 percent or 1 percent—and then only 3 percent, from 1990 to 1997, of its enforcement cases have they revoked certificates. So I think it indicates that there is a concern on the part of FAA that they not do anything irrational, but that they look at the cases thoroughly and then make a judgment as it relates to emergency authority only.

So I hope that the Senator from Oklahoma will give us an opportunity to sit down and work with him. I hate to be in opposition to all the amendments that are brought, but this is one that I will have to be opposed to and would encourage my colleagues to vote against if the Senator insists that we go on.

He stops in my hometown on occasion, I say to my friend from Arizona, and buys gasoline from the chairman of the Republican Party in my county. He is keeping the Republican Party going. I want him to continue to fly over the Owensboro stop and fill up with gasoline and keep our economy going. I would not want him to not stop in Owensboro. I gave you a hometown reason for us to try to help the Senator from Oklahoma to work something out. I look forward to him agreeing to that. If not, I could not agree to a vote tonight. I am sure the Senator would not want one either. We would have to wait and set a time certain for tomorrow because I understand that his side has a little shindig tonight that they would like to get to. We will accommodate him as they accommodated us last night. We ought to reciprocate, under the circumstances.

I yield the floor.

Mr. INHOFE. Mr. President, first of all, let me respond to the distinguished Senator from Kentucky. I can assure him that I will continue to stop in Owensboro to get my gas as I fly. There is good reason for that; it is the cheapest gas between Tulsa, OK, and National Airport.

Mr. FORD. We also have mighty fine barbecue there, too.

Mr. INHOFE. I eat at the Moonlight Cafe, which is owned by the chairman of the Democratic Party.

Mr. FORD. See, he is neutral.

Mr. INHOFE. Mr. President, I don't disagree with some of the statements made here. I have a little different interpretation. I think the Senator from Arizona is correct when he says 2.55 percent of those were of an emergency nature. The numbers equate to about roughly 300 people.

Now, all too often, we stand down here and say it is such a small number that, if there is an injustice, it doesn't affect that many people. I think that is probably true, but those individuals who are affected, it is a matter of taking away their livelihoods. I disagree

with the way the system works. When I look at the average between the time of the alleged offense and the emergency revocation, the average time of those in this last entire year was 132 days. I ask the question, How could there be an emergency nature to these revocations if it takes 132 days before that license is revoked?

I also comment on the extreme cases that we bring out, such as the Ted Stewarts and the Bob Hoovers. There are many others out there like that. Again, we are not talking about anything that is going to impair the safety of the flying public or the pilots because we are setting aside a process whereby there are a certain number of hours to appeal this to the NTSB. It goes back to using the same argument that was successfully used when we changed the rules having to do with civil penalties. With civil penalties, we argued that you can't have just the FAA be the judge and jury and appellate court; and, of course, it has worked out very well since then.

While I respectfully disagree with my colleagues from Arizona and Kentucky, I say that there is no interpretation that can be put on my amendment that is going to do anything to make flying more hazardous, or to keep a person from holding a certificate if there is an emergency nature to the revocation. If there is an emergency nature to the revocation, as determined by the NTSB—and that is their job—then, of course, they will keep the certificate and that individual will not have the ability to fly an airplane.

Let me just make one comment about the NTSB because, while it has been stated that the NTSB and FAA are both opposed to this amendment, I can assure you we talked as recently as yesterday to Dan Campbell, the chief counsel for the NTSB, and he says, no, it is natural that they generally don't want a heavier workload than they currently have. But he feels that this is a fair approach, and they don't have an official position against it.

Does the FAA? Yes. I think any time you are dealing with a bureaucracy—I don't care if it is the IRS, the FDA, the EPA, or the FAA, or any of the rest of them—they don't like to give up anything. This way, they would be giving up part of this appellate process. This is a matter of fairness.

I recognize that we will not be voting until tomorrow. However, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient is second.

The yeas and nays were ordered.

Mr. INHOFE. I thank the Chair.

Mr. FORD. There we go. We are working together again.

Mr. INHOFE. That is right.

Mr. President, I will make one last comment. In the event that my amendment will not prevail tomorrow, I look forward, of course, to working with both the Senator from Kentucky and the Senator from Arizona to try to make it more workable.

I yield the floor.

AIRPORT PROTECTION FROM FORCED SCHEDULED SERVICE

Mr. ALLARD. Mr. President, today I am speaking in support of an amendment to address a problem facing small reliever airports that do not accept scheduled service operations. Centennial Airport is a small reliever airport near Denver, Colorado, where operations consist primarily of small private chartered and business planes. A unique situation exists at Centennial Airport involving certain charter services and a loophole in the federal regulations governing scheduled flights.

Centennial Airport is not certificated for scheduled flight service. In fact, the Airport Authority, with strong local backing, has banned scheduled service at Centennial. According to federal law, the Federal Aviation Administration cannot force any airport to become certificated. The airport is not equipped with a terminal, baggage system, or passenger security. Furthermore, Denver International Airport is less than 25 miles from Centennial, and has the capacity to handle additional scheduled service operations.

A situation arose more than three years ago when a company called Centennial Express Airlines, Inc. began charter service at Centennial, but immediately announced that the airline's service would continue as scheduled service. The Airport Authority sued and the County District Court ordered the flights stopped. In April of this year the Colorado Supreme Court ruled in favor of Centennial Airport Authority's ban. The Court cited the safe operation of the airport as a priority, and upheld the airport's discretion to prohibit scheduled passenger service.

While this decision protected the airport's right to refuse scheduled service, a similar situation recently arose with another company, Colorado Connection Executive Air Services, and the result has been detrimental for Centennial Airport.

In 1997, Colorado Connection proposed to start public charter passenger service pursuant to a regular and public schedule. Colorado Connection, which is entirely owned by Air One Charter, tried using a combination of Department of Transportation and Federal Aviation Administration exemptions to offer scheduled service. Air One Charter indicated intent to market 6–12 daily flights to various Colorado cities and to contract baggage services for their flights.

The Centennial Airport Authority unanimously voted to deny airport access to Colorado Connection's scheduled service. The vote took place in April 1998 and a month later the FAA initiated a Part 16 investigation. The FAA claims that the Airport Authority's move to deny service is unjustly discriminatory. Recently, the FAA issued a decision to pull federal funding for Centennial Airport if the ban on scheduled service is not lifted. This decision is in direct conflict with the Colorado Supreme Court's ruling on the issue. It is the result of a loophole in a law that was not intended to force small airports to take on the responsibility and burden of supporting scheduled service.

Immediately following the announcement of the FAA's decision, the owner of Centennial Express was reported by the Denver Post to have plans to begin scheduled flights from Centennial Airport.

I have proposed legislation to rectify this situation and uphold the authority of airports like Centennial to ban all scheduled service if they choose to do so. This proposal allows a general aviation airport to deny access to a public charter operator that operates as a scheduled service, and clarifies that such action would not be in violation of requirements for federal airport aid. This will not require any airport to do anything, and it will not allow an airport to discriminate against one scheduled service operator and not another.

This measure, which is included in the manager's amendment, is nearly identical to language that the House Commerce Committee has included in its FAA Reauthorization Act. It would prohibit the FAA from charging discrimination if an airport chooses to deny access to scheduled service operators. It will only apply to reliever airports that are not certificated under Part 139 to handle scheduled service and airports within 35 miles of a large hub airport.

I appreciate my colleagues' support for the rights of small airport authorities and surrounding communities to retain control over their airports.

BANNING COMMERCIAL TOUR OVERFLIGHTS AT ROCKY MOUNTAIN NATIONAL PARK

Mr. President, I begin by thanking Chairman MCCAIN and the other Committee members for their efforts to mitigate the problems presented by scenic overflights at national parks. Tour overflight disturbances are a growing problem at a number of parks. This is an issue that I have been involved in for the last four years, and I recognize that other Members of Congress have tried to address this issue.

While I support the plan put forth by the Committee, I am offering an amendment to modify the overflights bill to address a specific Colorado issue. I appreciate the Chairman's willingness to work with me on this problem.

In particular, I am concerned that helicopter sightseeing tours at Rocky Mountain National Park would seriously detract from the enjoyment of other park visitors and would have a negative impact on the resources and values of the park itself, and I worry about the serious safety risks involved with overflights in this area.

Rocky Mountain National Park is a relatively small park in the Rockies, about 70 miles from Denver. The park receives nearly three million visitors each year, almost as many as Yellowstone national park, which is eight

times its size. The park is easily accessible, yet continues to provide quiet, solitude, and remoteness to visitors, especially in the back country. Trail Ridge road provides a unique experience for visitors that are not able to hike in the park. It is the highest paved highway in the United States, and crosses the park from east to west. Spectacular views of peaks and valleys can be seen from the road and nearby overlooks in every direction, similar to what you could see during a helicopter tour. Trail Ridge Road reaches above the timber line and travels for 4 miles above 12,000 feet and for 11 miles above 11,000 feet.

Several problems are specific to this mountainous national park. The elevation of the Park does not allow for a large minimum altitude to minimize noise, therefore, according to the National Park Service, natural quiet is unlikely if overflights are permitted at all. The terrain, consisting of many 13,000 foot peaks and narrow valleys, coupled with unpredictable weather presents serious safety concerns. Also, the unique terrain of Rocky Mountain National Park would cause air traffic to cumulate over the popular, lower portions of the park as pilots are forced to navigate around the dangerous peaks and high winds. Not only would the overflights be concentrated directly over the most popular portions of the park, but more powerful, and louder, helicopters must be used to achieve the necessary lift at a high altitude.

Rocky Mountain National Park has been fortunate enough to be free from overflights to this point, partially because local towns have discouraged companies that might provide such services. Last year the FAA issued a temporary ban on sightseeing flights over Rocky Mountain National Park.

In light of these distinctive qualities, one can assess that the best solution to overflight disturbance is a ban on commercial tour flights at Rocky Mountain National Park. My proposed ban will apply to commercial tour overflights only, with exceptions granted for emergency flights and commercial airlines and private planes. Both the senior Senator from Colorado and I are strongly behind this effort to permanently ban overflights at the park.

A ban would be completely consistent with the recommendations of the overflights task force. There has been public involvement and preparation of an air tour management plan. There is no need to repeat the steps required under this legislative proposal at Rocky Mountain National Park.

A commercial tour overflight ban has wide spread support throughout my state. State and local officials in areas adjacent to the park strongly support a ban on overflights. In fact, local ordinances already exist to protect the quiet at the Park. The entire Colorado delegation and Colorado's Governor are on record in support of an overflight ban. My proposal is supported by the business community, including the local Chambers of Commerce, as well as the local environmental community.

In 1995, one of our top Denver newspapers editorialized that the FAA should make Rocky Mountain National Park off-limits to low-flying aircraft use, ''the sooner the better.'' Now, three years later, we have finally taken the opportunity to place a permanent restriction on scenic overflights.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that John Bradshaw, who is a fellow in my office, be allowed to be on the floor for the duration of this statement.

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

Mr. WELLSTONE. I thank the Chair.

KOSOVO

Mr. WELLSTONE. Mr. President, I ask unanimous consent that a letter which I sent to the President about Kosovo be printed in the RECORD.

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

SEPTEMBER 22, 1998.

President BILL CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As NATO Defense Ministers, including Secretary Cohen, gather in Portugal this week to consider the situation in Kosovo, I write to express my deep concern over the growing humanitarian crisis there. Unless immediate and determined action by the U.S. and our western allies is taken to address this situation, it is clear we will begin to face a catastrophic loss of civilian lives with the onset of winter in the region as early as mid-October.

Despite tight constraints on their reporting by the government of Serbia, the western media daily offers new reports on the rapidly deteriorating situation there. Candid assessments by Administration officials acknowledge the growing crisis. Systematic and brutal military action by Serbian forces, accelerated during their summer-long offensive against UCK forces, has forced an estimated 300,000 or more ethnic Albanians to flee their homes. While many have fled as refugees to neighboring countries, most of these displaced persons remain inside Kosovo and are now vulnerable to exposure, starvation, disease and further Serb military attack. I understand that Assistant Secretary for Refugees Julia Taft concluded during her recent visit there that over 210 villages in the region have already been looted, and many torched, by Serbian security forces.

Serbia has failed utterly to comply with the persistent demands of the Contact Group to: (1) cease attacks on civilian populations, and withdraw its forces used to repress civilians; (2) permit the establishment of an effective international observer group in Kosovo; (3) allow refugees and displaced persons to return to their homes safely, under international supervision; (4) allow unimpeded access for humanitarian organizations and supplies; and (5) make rapid progress in the dialogue with the Kosovar leadership.

While Ambassador Hill is to be commended for his persistent diplomatic efforts, it is clear that the time has come for a more vigorous and sustained high-level multilateral effort to pressure President Milosevic to comply fully with Contact Group demands. I urge you therefore to proceed immediately with a series of steps designed to prevent the looming humanitarian crisis and to prepare for possible implementation of more forceful options developed by NATO planners. These actions include:

Moving forward now, under NATO auspices, with the pre-deployment phase of NATO military plans on Kosovo, including securing base rights agreements in the region, immediately assessing the contributions of each NATO member in the event military action is necessary, and then forward-deploying appropriate levels of NATO military forces and equipment, thus preparing us to take any appropriate military action that may be necessary to secure Serb compliance with Contact Group demands, and with international law regarding the treatment of Kosovar civilians;

Bolstering border security efforts through preventive NATO force deployments which can increase regional stability and assist in international monitoring and anti-arms smuggling efforts;

Leading an immediate multilateral effort, at the United Nations and through regional bodies like the European Union, to tighten the existing sanctions regime on Serbia, and to re-impose the trade embargo, total airflight and investment bans, and other sanctions lifted after signing of the Dayton Peace Accords, coupled with renewed enforcement initiatives to prevent the flourishing of black markets under a full embargo;

Accelerating U.S. and NATO logistical support for the ongoing international humanitarian aid effort in Kosovo, including pre-deployment of humanitarian supplies in Kosovo in anticipation of winter distributions by NGOs—but only in a way which avoids absolutely the prospect of a repeat of the disgraceful ''safe haven'' disaster of Srebenica;

Pressing for more extensive access for human rights monitoring in Kosovo by internationally-recognized organizations, including the Organization for Security and Cooperation in Europe, and non-governmental monitors, and providing appropriate support and assistance for their efforts;

Encouraging the International Criminal Tribunal for the Former Yugoslavia immediately to send its Chief Prosecutor to Belgrade and Kosovo; increasing aid and intelligence support to the Tribunal; and assisting them in placing forensics teams on the ground there, thus signaling to all parties that the Tribunal is committed to prosecuting war crimes committed in Kosovo, including attacks on innocent civilians, and has begun to actually gather evidence to support potential indictments against perpetrators—and their commanders and political leadership to whom they answer;

I believe it is essential that these actions be taken as quickly as possible. We must act now, before the onset of winter in Kosovo, to prevent a potential humanitarian tragedy of historic proportions. I also recognize that these steps in themselves may not be sufficient to force Serbia to comply with the Contact Group's demands in a timely manner,

and that further NATO military actions may need to be considered if the situation in Kosovo has not substantially improved, the massacres of civilians continues, and unimpeded access for humanitarian relief workers has not be granted.

Thanks you for your consideration.

Sincerely,

PAUL D. WELLSTONE,
United States Senator.

Mr. WELLSTONE. Mr. President, I thank my colleagues who have come to the floor today to speak about Kosovo for their words.

Mr. President, I rise to call for urgent Presidential action to forestall a humanitarian catastrophe in Kosovo. Unless immediate and determined action by the U.S. and our western allies is taken to address this situation, it is clear we will begin to face a massive loss of civilian lives with the onset of winter in the region as early as mid-October.

The western media offers new reports daily on the rapidly deteriorating situation there. Candid assessments by Administration officials acknowledge the growing crisis. Systematic and brutal military action by Serbian forces, accelerated during their summer-long offensive against UCK forces, has forced an estimated 300,000 or more ethnic Albanians to flee their homes. In recent weeks Serb forces have shelled entire villages, not just rebel positions, forcing more civilians to flee. While many have fled as refugees to neighboring countries, most of these displaced persons remain inside Kosovo and are now vulnerable to exposure, starvation, disease and further Serb military attack. I understand that Assistant Secretary of State for Refugees Julia Taft concluded during her recent visit there that over 210 villages in the region have already been looted, and many torched, by Serbian security forces.

With winter approaching, international relief agencies now fear that tens of thousands of refugees without food or shelter could face death. By some estimates there are 50,000 to 100,000 people in Kosovo living out in the open, without any shelter. Unless they can return to their homes or be provided adequate shelter within the next few weeks they may die of exposure.

Our respected former colleagues Senator Bob Dole recently returned from Kosovo warning that there is a ''human catastrophe in the making.'' President Clinton said last week that there is a potential for a ''major humanitarian disaster'' in Kosovo and that it is ''important that we move as quickly as possible with our allies to avert a tragedy.'' The President cautioned: ''We don't want a repeat of Bosnia.''

The President is right. We cannot wait any longer to take more vigorous action to force Serbia to cease making this crisis worse and to allow necessary humanitarian relief into the area. Serbia must comply with the persistent demands of the Contact Group: (1) cease attacks on civilian populations, and withdraw its forces used to repress civilians; (2) permit the establishment of an effective international observer group in Kosovo; (3) allow refugees and displaced persons to return to their homes safely, under international supervision; (4) allow unimpeded access for humanitarian organizations and supplies; and (5) make rapid progress in the dialogue with the Kosovar leadership.

In recent days there have been some positive developments in the UN Security Council and in NATO which indicate that those organizations may be ready to take necessary action. The Security Council is contemplating a resolution stating that the situation in Kosovo ''constitutes a threat to peace and security'' that impels the council to demand an immediate cease-fire. This demand would be in accordance with Chapter 7 of the UN charter. There are indications that Russia may be willing to support this resolution. The resolution does not call for the use of force, but I note that Chapter 7 authorizes the use of armed force by NATO members to compel compliance with the council's orders.

Parallel progress is being made at NATO headquarters in Brussels where the U.S. has asked the North Atlantic Council to canvass member countries to determine which countries are willing to provide personnel and equipment to military operations in Kosovo. This action will be useful in precipitating consultations between NATO governments and their respective parliaments and bringing into the open the debate on military options.

I applaud these developments and call on the UN and NATO to accelerate them.

I also want to commend U.S. Ambassador Chris Hill for his persistent diplomatic efforts. The U.S. should continue to work toward a political solution to this problem along the lines pursued by Ambassador Hill. At the same time, though, we must also proceed with a more vigorous and sustained high-level multilateral effort to pressure President Milosevic to comply fully with Contact Group demands.

Mr. President, I want to outline some steps that I hope the administration will proceed with.

I urge the Administration therefore to proceed immediately with a series of steps designed to prevent the looming humanitarian crisis and to prepare for possible implementation of more forceful options developed by NATO planners.

I urge the administration today on the floor of the U.S. Senate to proceed immediately with these steps.

These actions include: Moving forward now, under NATO auspices, with the pre-deployment phase of NATO military plans on Kosovo, including securing base rights agreements in the region, immediately assessing the contributions of each NATO member in the event military action is necessary, and then forward-deploying appropriate levels of NATO military forces and equipment, thus preparing us to take any appropriate military action that may be necessary to secure Serb compliance with Contact Group demands, and with international law regarding the treatment of Kosovar citizens; bolstering border security efforts through preventive NATO force deployments which can increase regional stability and assist in international monitoring and anti-arms smuggling efforts; leading an immediate multilateral effort, at the United Nations and through regional bodies like the European Union, to tighten the existing sanctions regime on Serbia, and to re-impose the total airflight and investment bans, and other sanctions lifted after signing of the Dayton Peace Accords, and to consider reimposing the trade embargo, coupled with renewed enforcement initiatives to prevent the flourishing of black markets under a full embargo; accelerating U.S. and NATO logistical support for the ongoing international humanitarian aid effort in Kosovo, including pre-deployment of humanitarian supplies in Kosovo in anticipation of winter distribution by NGOs—but only in a way which avoids absolutely the prospect of a repeat of the disgraceful ''safe haven'' disaster of Srebenica; pressing for more extensive access for human rights monitoring in Kosovo by internationally recognized organizations, including the Organization for Security and Cooperation in Europe, and non-governmental monitors, and providing appropriate support and assistance for their efforts; and encouraging the International Criminal Tribunal for the Former Yugoslavia immediately to send its Chief Prosecutor to Belgrade and Kosovo; increasing aid and intelligence support to the Tribunal; and assisting them in placing forensics teams on the ground there, thus signaling to all parties that the Tribunal is committed to prosecuting war crimes committed in Kosovo including attacks on innocent civilians, and has begun to actually gather evidence to support potential indictments against perpetrators—and their commanders and political leadership to whom they answer.

I believe it is essential that these actions be taken as quickly as possible. We must act now, before the onset of winter in Kosovo, to prevent a potential humanitarian tragedy of historic proportions. I also recognize that these steps in themselves may not be sufficient to force Serbia to comply with the Contact Group's demands in a timely manner, and that further NATO military actions may need to be considered if the situation in Kosovo has not substantially improved, the massacres of civilians continues, and unimpeded access for humanitarian relief workers has not been granted.

Mr. President, again, I thank my colleagues who have spoken today on this matter. I do think it is important that we speak out. I think in the last couple of days we have seen positive developments in the U.N. Security Council and

NATO which indicate that these organizations may be ready to take necessary action. But I wanted to outline today some options which I believe we need to consider and which I think will communicate a message to Milosevic that we are deadly serious; to talk actually about taking military action is very serious. It is always the last option. But I believe, at the minimum, we can do some predeployment phases of NATO military plans.

I think we can bolster some of our border security efforts. I think we can tighten the sanctions regime on Serbia. I think we can accelerate United States and NATO logistical support for international humanitarian aid efforts in Kosovo. I think we can press for more extensive access for human rights monitoring by some internationally recognized organizations. And I think we can make it clear that we are going to give the International Criminal Tribunal all the support it needs as well.

None of this may be enough—I want to say this one more time in this Chamber. None of these steps may be sufficient to force Serbia to comply with the contact group's demands in a timely manner and further military action may be necessary. But if these actions are not taken as quickly as possible, we are—Senator Dole is right—going to see a humanitarian crisis of tragic proportions. We are going to see a lot of men, women and children who are going to die unless we take action.

I yield the floor.

Mr. FORD. Mr. President, we are about——

Mr. WELLSTONE. Mr. President, could I ask my colleague for his indulgence for 2 minutes?

Mr. FORD. I have no objection.

Mr. WELLSTONE. I know it is the end of the day and colleagues are anxious to go home.

Mr. FORD. Mr. President, we are trying to wrap up the aviation bill.

Mr. WELLSTONE. I am sorry.

Mr. FORD. We gave the Senator time off the aviation bill. We have some amendments.

Mr. WELLSTONE. I did not realize that.

Mr. FORD. But the 2 minutes are fine.

Mr. WELLSTONE. I thank the Senator.

SENATOR MURIEL HUMPHREY

Mr. WELLSTONE. I want to mention to my colleague from Kentucky that tomorrow in Minnesota we are going to have a service for Muriel Humphrey—Senator Humphrey. Both Humphreys were Senators. I wish to express the appreciation, love and affection all of the people of Minnesota feel toward the Humphrey family.

Much has been written about Muriel Humphrey. I had a chance to get to meet her. I did not know her nearly as well as other Minnesotans, but I can tell you she was a wonderful person, very caring toward her family, very caring toward the great Senator Hubert Humphrey, a really fine Senator—the first woman to serve in the Senate from the State of Minnesota in her own right—and, I think most important of all, a wonderful, wonderful model for public service. It is a great loss for Minnesota. It is a great loss for our country. Muriel Humphrey will be a very special person to all of us in Minnesota for many years to come. We will never forget her.

I yield the floor.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENTS NOS. 3623, 3624, AND 3625, EN BLOC

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. On behalf of Senator SNOWE, I send three amendments to the desk and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Ms. SNOWE, proposes amendments en bloc numbered 3623, 3624 and 3625.

The amendments are as follows:

AMENDMENT NO. 3623

(Purpose: To provide increased civil penalties for violation of the prohibition against discrimination against handicapped individuals, and for other purposes)

On page 121, line 1, strike ''**INTERNATIONAL**''.

On page 121, line 3, before ''The'' insert ''(a) ESTABLISHMENT OF HIGHER INTERNATIONAL STANDARDS.—''.

On page 121, between lines 9 and 10, insert the following:

(b) INCREASED CIVIL PENALTIES.—Section 46301(a) is amended by—

(1) inserting ''41705,'' after ''41704,'' in paragraph (1)(A); and

(2) adding at the end thereof the following:

''(7) Unless an air carrier that violates section 41705 with respect to an individual provides that individual a credit or voucher for the purchase of a ticket on that air carrier or any affiliated air carrier in an amount (determined by the Secretary) of—

''(A) not less than $500 and not more than $2,500 for the first violation; or

''(B) not less than $2,500 and not more than $5,000 for any subsequent violation, that air carrier is liable to the United States Government for a civil penalty, determined by the Secretary, of not more than 100 percent of the amount of the credit or voucher so determined. For purposes of this paragraph, each act of discrimination prohibited by section 41705 constitutes a separate violation of that section.''.

On page 89, strike the item relating to section 507 and insert the following:

Sec. 507. Higher standards for handicapped access.

AMENDMENT NO. 3624

(Purpose: To require human weather observers for ASOS stations until the automated system reports consistently on changing conditions)

At the appropriate place, insert the following new section:

SEC. . AUTOMATED SURFACE OBSERVATION SYSTEM STATIONS.

The Administrator of the Federal Aviation Administration shall not terminate human weather observers for Automated Surface Observation System stations until—

(1) the Secretary of Transportation determines that the System provides consistent reporting of changing meteorological conditions and notifies the Congress in writing of that determination; and

(2) 60 days have passed since the report was submitted to the Congress.

AMENDMENT NO. 3625

(Purpose: To provide that communities participating in the community-carrier air service program will be selected from all regions of the country)

On page 147, line 4, after ''program.'' insert the following: ''For purposes of this subsection, the application of geographical diversity criteria means criteria that—

''(1) will promote the development of a national air transportation system; and

''(2) will involve the participation of communities in all regions of the country.''.

Ms. SNOWE. Mr. President, I thank the Chairman, Senator MCCAIN, and the ranking member, Senator FORD, for their assistance with my three amendments.

One way that the FAA reauthorization bill will improve the nation's air service is through the new Community Carrier Air Service Program. This program will provide assistance to communities so that underserved markets can attract carriers.

The Secretary of Transportation will select communities to participate in this program based on geographic diversity and other unique circumstances that presently hinder communities from attracting adequate air service. It is important to note that the intent of this language is to ensure that participation in the program will promote the development of a national air transportation system. And my amendment will ensure that it involves the Transportation must ensure this diversity so that every region of the nation can benefit from the program.

An important provision for Maine's pilots is included in my amendment on the ASOS program. This amendment requires that the Federal Aviation Administration retain human observers at the automated surface transportation system stations which have had a high rate of reporting error. The language in the amendment requires the FAA to correct the problems and notify Congress that the problems have been solved before it can remove a human observer from an ASOS station.

ASOS is an automatic weather observance system which uses electronic sensors, computers and display units to detect weather. It is fully automated and computerized and is intended to replace human observers of on-the-ground weather conditions in specific locales. Information from ASOS sensors are transmitted to a computer, and users, like pilots, can call a special phone number or tune into a special radio frequency to obtain information.

ASOS is intended to make weather information collection and dissemination more cost-effective by replacing

the human element with electronics. The problem is that in the northern tier states, such as Maine, the ASOS system has problems discerning certain weather conditions. For example, sleet falls faster than snow so ASOS records it as rain and recently heavy smoke from Canadian forest fires caused the ASOS at the Houlton airport to report heavy fog at the airport. Needless to say, flying through fog is very different than flying through smoke. This is a very serious matter and could result in life threatening problems if a pilot does not have the proper weather information.

The ASOS systems in Maine have been very unreliable. The station in Houlton recorded more than 1,400 mistakes in one year. A letter from the FAA dated May 26, 1998, to you admits the problems with the system.

My third amendment increases fines for those airlines which chose to discriminate against the handicapped. Although the airlines have been working to improve their treatment of the handicapped, there have been some incidents which warrant a sizable fine by the Department of Transportation.

For example, one of my constituents, Ms. Alice Conway, of Portland, Maine was returning from Mexico in 1994 after attending a disabilities related conference. Her story is a very unfortunate one and clearly illustrates the need for penalties which will deter such treatment by the airlines and their employees.

The problem began for Alice in Mexico City. There a mechanical problem forced a 45 minute delay in departure. While other passengers were able to exit the plane, nobody offered to help Ms. Conway off the plane. After the flight finally got underway, Ms. Conway, who is paraplegic, asked to use the aisle chair in order to visit the restroom. Ms. Conway was denied access to the restroom because the chair had been forgotten.

At one point of the flight, the plane landed in Indianapolis. On the ground there, the flight attendants refused to bring her a chair and denied her any assistance which would have allowed her to visit the restroom. As the flight traveled to Chicago, she asked is she could scoot along the aisle of the aircraft to get to the restroom, a flight attendant told her that sitting in the aisle was illegal and if she did so, she would be arrested when they landed.

Finally, after seven hours of travel, an attendant gave her a blanket and a bottle so that she could empty her colostomy pouch while sitting in her seat.

She had to empty her colostomy pouch in her seat!

How can any of us condone such behavior? Thankfully, this bill contains language that will create stiff penalties for those who violate the law.

Again, I thank the Senator from Arizona and the Senator from Kentucky and their staff for their assistance in coming to agreement on these three amendments.

Mr. MCCAIN. Mr. President, I understand that these amendments have been cleared on both sides. I support them.

Mr. FORD. Mr. President, I have no objections and support the three amendments of the Senator from Maine, Ms. SNOWE.

The PRESIDING OFFICER. There being no further discussion on the amendments, without objection, the amendments are agreed to.

The amendments (Nos. 3623, 3624, and 3625) were agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3626

(Purpose: To make technical corrections in the managers' amendment)

Mr. MCCAIN. Mr. President, on behalf of myself and Senator FORD, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself and Mr. FORD, proposes an amendment numbered 3626.

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

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

The amendment is as follows:

On page 48 of the managers' amendment, strike ''additional'' in line 12, line 16, and line 23.

Mr. MCCAIN. Mr. President, this amendment is in the nature of technical corrections, and I ask for its immediate consideration.

The PRESIDING OFFICER. There being no further debate, without objection, the amendment is agreed to.

The amendment (No. 3626) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCAIN. Mr. President, shortly we will have a list of agreed upon amendments for tomorrow. We do not have time agreements on those amendments, I am sorry to say, but we at least have the list narrowed down, and I am confident we are now approaching the point where there are probably only two or three controversial amendments.

My friend from Kentucky can correct me, but I think the majority leader, in consultation with the Democratic leader, will decide at what time the vote on the Inhofe amendment will take place.

Mr. FORD. The Senator is correct. And I am more than willing to work out whatever time is agreeable to the two leaders. I agree with my friend that we need to move on. We are down to just very few votes on this piece of legislation. We have worked awfully hard on our side. We have been able to clear up two or three that we worked on pretty hard. The Snowe amendments we have agreed to, the technical corrections amendment we agreed to, and those have been taken care of.

So we are moving on, even though it does not appear there is much action on the floor. Once the legislation is before the Senate, a vacuum is created. I learned that a long time ago. You may not have everything put together, but once you get started it creates a vacuum, and I think we are on our way to being able to pass this piece of legislation sometime tomorrow.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, we are awaiting the approval from the cloakrooms of this list. So while we are awaiting that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNANIMOUS CONSENT AGREEMENT

Mr. MCCAIN. Mr. President, I ask unanimous consent that the following amendments be the only amendments in order to S. 2279, that they be subject to relevant second-degree amendments, and that they be considered under time agreements where listed, and that any second-degree amendment be accorded the same time as the first degree to which it is offered, and that the previous requirement of relevancy be in effect.

The following is the list of the amendments: McCain-Ford amendment, a managers' amendment; McCain amendment which is relevant, 5 minutes equally divided; Hollings amendment, relevant, 5 minutes equally divided; Gorton, relevant amendment, 5 minutes equally divided; Ford, relevant, 5 minutes equally divided; Bingaman, overflights, bolster Native Americans' role, 30 minutes equally divided; Boxer amendment, relevant; Daschle, two relevant amendments; DeWine, SOS, 10 minutes equally divided; Dorgan, regional jet tax incentives, 2 hours equally divided; Dorgan, mandatory interline and joint fare agreements, 2 hours equally divided; Faircloth, SOS, 5 minutes equally divided; Feinstein, National Airport perimeter slots; Harkin, relevant; Harkin, slots; Inhofe, FAA emergency revocation power—and, Mr. President, that is the pending amendment No. 3620, the Inhofe amendment on FAA emergency revocation power; Landrieu, relevant amendment; Lott, relevant amendment; Moynihan, airport improvement, 1 hour equally divided; Mikulski-Sarbanes, three amendments, Reagan National, slots, and perimeter

rule, 30 minutes equally divided for each of these three amendments; Roth, reintroduce title VIII to bill, 5 minutes equally divided—

Mr. FORD. That has been taken care of.

Mr. McCAIN. That amendment would be removed.

Thompson, criminal penalties for airmen who fly without a certificate; Torricelli-Lautenberg, Quiet Communities Act, 1 hour equally divided; Torricelli, relevant; D'Amato-Moynihan, DOT issue 70 slot exemptions at JFK Airport, New York, 10 minutes equally divided; Lott-Frist-Moynihan amendment, limit eligible airport size for regional jet section, and Reagan National commuter slots, 10 minutes equally divided; Reed of Rhode Island, noise at Rhode Island airport, 15 minutes equally divided; Reed of Rhode Island, code-sharing notice, 15 minutes equally divided; Robb, Reagan National Airport, slots and perimeter rule, 1 hour equally divided; Warner, prohibit new Reagan National slots and perimeter rule exemptions until MWAA nominees confirmed by the Senate, 1 hour equally divided; Warner, notice, comment and hearings before proceeding with Reagan National slots and perimeter rule exemptions, 1 hour equally divided; Domenici amendment regarding Taos; D'Amato, travel agents, 20 minutes equally divided; Coats, Reagan National Airport slots; Daschle, relevant.

Mr. FORD. McCain-Ford managers' amendment.

Mr. McCAIN. I did that at the start.

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

Mr. McCAIN. Before I proceed further, I do want to say that although it looks like there are a lot of amendments, we are working out agreements on almost all of them. So I urge my colleagues to get with us tomorrow. We can work out these agreements and have two or three amendments and hopefully get this legislation passed today.

Before I proceed, I ask if the distinguished Senator from Kentucky has any remarks.

I yield the floor.

Mr. FORD. Mr. President, I have no disagreement with the unanimous consent proposal, particularly retaining the relevancy that is in effect now. There is only one question I might have. There is a Torricelli-Lautenberg Quiet Communities Act amendment that should be for both, I think. And just so long as that is understood that it is not two amendments; it is only one.

Mr. McCAIN. That is a Torricelli-Lautenberg amendment.

Mr. FORD. One amendment rather than two. If we could cut an amendment off now, we ought to do it instead of waiting until tomorrow. So I agree with my colleague, we have an opportunity to finish this bill tomorrow. And it is one of those ''must-pass'' bills. And I am very hopeful that we can do it. We are here. Our staff is available. We are very amenable right now and probably more so tomorrow; but toward noon and a little after we may get intolerable. So let's hope we can do things early in the morning after our first vote.

I thank the Chair and thank my colleague.

Mr. McCAIN. Mr. President, just for the record, I want to make it clear that these are first-degree amendments only.

The PRESIDING OFFICER. The RECORD will so reflect.

MORNING BUSINESS

Mr. McCAIN. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

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

ACKNOWLEDGMENT OF SENATOR HAGEL'S 100TH PRESIDING HOUR

Mr. LOTT. Mr. President, I have the pleasure to announce that Senator CHUCK HAGEL is the latest recipient of the Senate's golden gavel award, marking his 100th hour of presiding over the U.S. Senate.

The golden gavel award has long-served as a symbol of appreciation for the time that Senators contribute to presiding over the U.S. Senate—a privileged and important duty. Since the 1960's, Senators who preside for 100 hours have been recognized with this coveted award.

On behalf of the Senate, I extend our sincere appreciation to Senator HAGEL and his diligent staff for their efforts and commitment to presiding duties during the 105th Congress.

PREPARING FOR FUTURE BATTLEFIELDS

Mr. BYRD. Mr. President, in June 1997, Senator GLENN, Senator LEVIN, and I requested the General Accounting Office (GAO) to examine the Department of Defense's (DOD) approach for addressing U.S. troop exposures to low levels of chemical warfare agents. That report is being released today. This kind of exposure, most recently experienced in the immediate aftermath of the Persian Gulf War—and possibly during it—is likely to become an ever greater threat, as more nations seek a battlefield advantage by employing the ''poor man's bomb,'' chemical weapons. Our concern was to ensure that the Department of Defense had, in fact, learned the lessons of the Persian Gulf War and had taken effective steps to address any weaknesses that might result in the soldiers of future wars being needlessly harmed by exposure to low levels of chemical weapons. It is one thing to suffer casualties on the battlefield due to the misfortunes of war; it is quite another thing to inflict on American service men and women unnecessary wounds caused by a lack of foresight and planning. That is unacceptable.

Unfortunately, what the GAO discovered is that, as far as chemical weapons and chemical battlefields are concerned, the United States military is still in Cold War mode. DOD's focus in this area is still to enable U.S. forces to survive, fight, and win in the dreaded all-out nuclear, biological, and chemical battlefields of the Cold War. DOD has no strategy to address low-level exposures to chemical warfare agents. None. Nada. Zip. Despite the fact that existing DOD-conducted research indicates that low-level exposures to some chemical warfare agents may result in adverse short-term performance and long-term health effects, the Department of Defense has not stated a policy or developed doctrine on the protection of troops from low-level exposures to chemical warfare agents on the battlefield. Apparently, DOD prefers to concentrate on ''winning,'' and hand off any chemical casualties to the Department of Veterans Affairs with a ''no longer my business'' attitude. I think we need to look at the bigger picture and give the safety of our military personnel the consideration they certainly deserve.

Even in the wake of disclosures by DOD that approximately 100,000 U.S. troops might have been exposed to some harmful level of chemical nerve and blister agents resulting from the destruction of a single Iraqi munitions dump, less than two percent of DOD's chemical and biological defense research and development program funds have been allocated to low-level chemical exposure issues in the two years since those disclosures. DOD claims that there is ''no validated threat'' of low-level chemical exposure to warrant greater effort, even as it continues to analyze other incidents during the Gulf War that may result in more troops being notified that they may have been exposed to low doses of chemical warfare agents. Moreover, the GAO report notes that DOD did a study just last year analyzing the impact of state sponsored terrorist attacks using low levels of chemical warfare agent to clandestinely disrupt U.S. military operations.

It seems both prudent and reasonable to at least begin the conceptual work to address the issue of low-level exposures to chemical warfare agents. But what GAO found instead was a few uncoordinated efforts by concerned offices to look into this current and future threat. This issue demands a top-down approach, in which the broad strategy or framework can guide the development of research, new technology, and operational practice to better defend American men and women, our sons and daughters, grandsons and granddaughters, when they don the uniform of the United

States and defend our interests in the hardest and most courageous manner.

For this reason, and based upon the material which the GAO investigators had uncovered, I authored an amendment, which Senator GLENN cosponsored, to this year's Department of Defense Authorization bill to require the Secretary of Defense to review and modify chemical warfare defense policies and doctrine. The review calls upon DOD to address providing adequate protection from any low-level exposure, whether singly or in combination with other hazards, and whether to a single agent or to multiple agents and hazards over time. This amendment also requires the Secretary to address the reporting, coordinating, and retaining of information on possible exposures, including monitoring the health effects of those exposures by location, so that other mistakes of the Persian Gulf War are not extended to future battles. Additionally, this amendment calls upon the Secretary to develop and carry out a research program on the health effects of low-level exposures that can guide the Secretary in the evolution of policy and doctrine on low-level exposures to chemical warfare agents. I am very pleased that the amendment was retained in conference, and I look forward to the report on the review, which is due on May 1, 1999.

I am also pleased with the fine and useful work done by GAO on this report, particularly by Dr. Sushil Sharma and Mr. Jeffery Harris. I hope that the Department of Defense finds their analysis and their conclusions helpful as it begins the review mandated in the Department of Defense Authorization conference report. And finally, I thank Senator LEVIN and Senator GLENN for their interest in this matter.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING SEPTEMBER 18

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending September 18, the U.S. imported 7,411,000 barrels of oil each day, 1,115,000 barrels a day less than the 8,526,000 imported during the same week a year ago.

While this is one of the rare weeks when Americans imported slightly less foreign oil than the same week a year ago, Americans nonetheless relied on foreign oil for 54 percent of their needs last week. There are no signs that the upward spiral will abate. Before the Persian Gulf War, the United States imported about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970s, foreign oil accounted for only 35 percent of America's oil supply.

All Americans should ponder the economic calamity certain to occur in the U.S. if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the U.S.: now 7,411,000 barrels a day at a cost of approximately $89,006,110 a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, September 22, 1998, the federal debt stood at $5,515,818,621,727.95 (Five trillion, five hundred fifteen billion, eight hundred eighteen million, six hundred twenty-one thousand, seven hundred twenty-seven dollars and ninety-five cents).

One year ago, September 22, 1997, the federal debt stood at $5,378,804,000,000 (Five trillion, three hundred seventy-eight billion, eight hundred four million).

Five years ago, September 22, 1993, the federal debt stood at $4,395,748,000,000 (Four trillion, three hundred ninety-five billion, seven hundred forty-eight million).

Ten years ago, September 22, 1988, the federal debt stood at $2,587,230,000,000 (Two trillion, five hundred eighty-seven billion, two hundred thirty million).

Fifteen years ago, September 22, 1983, the federal debt stood at $1,354,474,000,000 (One trillion, three hundred fifty-four billion, four hundred seventy-four million) which reflects a debt increase of more than $4 trillion—$4,161,344,621,727.95 (Four trillion, one hundred sixty-one billion, three hundred forty-four million, six hundred twenty-one thousand, seven hundred twenty-seven dollars and ninety-five cents) during the past 15 years.

NOMINATION OF AMY ROSEN TO AMTRAK REFORM BOARD

Mr. WYDEN. Mr. President, earlier today, I called in a hold on the nomination of Amy Rosen to the Amtrak Reform Board. Consistent with my policy of publicly disclosing holds, I am including the following statement in the CONGRESSIONAL RECORD, stating my reasons for placing a hold on this nomination:

I am placing a hold on the nomination of Amy Rosen to the Amtrak Reform Board because of her role as an Amtrak Board member in voting to terminate Amtrak's Pioneer route. A subsequent GAO report indicates that at the time Ms. Rosen approved terminating the Pioneer, other Amtrak routes that were even less profitable than the Pioneer were kept in service. Before I will allow Ms. Rosen's nomination to move forward, I am seeking certain assurances from Ms. Rosen that if confirmed as a member of the Amtrak Reform Board, she will insist that Amtrak make decisions about passenger rail service on the basis of objective financial criteria.

Subsequent to calling in my hold on Ms. Rosen's nomination, I and my staff had conversations with her to discuss my concerns. During those conversations, I received assurances from Ms. Rosen that as an Amtrak Board member, she would insist that decisions about Amtrak routes and services would be made on the basis of objective financial criteria and that she would work with me and other Members of Congress to address the needs of rural communities for passenger rail service. As a result of these conversations, I am withdrawing my hold on Amy Rosen's nomination to the Amtrak Reform Board.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Edward J. Barron:									
United States	Dollar				2,557.75				2,557.75
Switzerland	Franc	1,737.85	1,175.00						1,175.00
Bryan Edwardson:									
United States	Dollar				2,557.75				2,557.75
Switzerland	Franc	2,045.20	1,382.83						1,382.83
Terri Snow Markwart:									
United States	Dollar				2,557.75				2,557.75
Switzerland	Franc	1,767.70	1,195.20						1,195.20

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Total			3,753.03		7,673.25				11,426.28

RICHARD G. LUGAR,
Chairman, Committee on Agriculture, Nutrition, and Forestry, July 9, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Sid Ashworth:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00
Charlie Houy:									
Kuwait	Dollar		229.00						229.00
Belgium	Franc	9,995	270.00					9,995	270.00
Tom Hawkins:									
Kuwait	Dollar		250.00						250.00
Belgium	Franc	9,995	270.00					9,995	270.00
Sid Ashworth:									
South Korea	Won	837,540	594.00					837,540	594.00
Indonesia	Dollar		985.00						985.00
United States	Dollar				4,570.00				4,570.00
Steve Cortese:									
South Korea	Won	837,540	594.00					837,540	594.00
Indonesia	Dollar		985.00						985.00
United States	Dollar				4,570.00				4,570.00
Senator Ted Stevens:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00
Senator Pete Domenici:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00
Senator Conrad Burns:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00
Saudia Arabia	Dollar		208.00						208.00
Senator Kay Bailey Hutchison:									
Kuwait	Dollar		249.00						249.00
Belgium	Franc	9,995	270.00					9,995	270.00
Senator Daniel Inouye:									
Kuwait	Dollar		302.00						302.00
Belgium	Franc	9,995	270.00					9,995	270.00
Steven Cortese:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00
Robin Cleveland:									
Singapore	Dollar		199.00						199.00
Indonesia	Dollar		732.00						732.00
Thailand	Dollar		570.00						570.00
United States	Dollar				4,570.00				4,570.00
Total			10,527.00		13,710.00				24,237.00

TED STEVENS,
Chairman, Committee on Appropriations, July 31, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS FOR TRAVEL FROM JAN. 13 TO JAN. 24, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ted Stevens:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Senator Thad Cochran:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Senator Slade Gorton:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Senator Conrad Burns:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Senator Larry Craig:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Steven J. Cortese:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Sid Ashworth:									
New Zealand	Dollar	1,128.80	641.00		59.45		119.67		820.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Scott Gudes:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Jon Kamarck:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Andy Givens:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS FOR TRAVEL FROM JAN. 13 TO JAN. 24, 1998—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Mike Ware:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Susan Hogan:									
Australia	*COM041*Dollar	1,059.85	690.00		120.25		180.28		990.53
Total			11,521.00		2,096.95		3,479.73		17,097.68

Miscellaneous expenses include direct payments and reimbursements to the Dept. of State under authority of Section 502(b) of the Mutual Security Act of 1954, as amended by Section 22 of Public Law 95–384, and Senate Resolution 179, agreed to May 25, 1977.

TED STEVENS,
Chairman, Committee on Appropriations, May 26, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM APR. TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John Warner:									
Italy	Dollar		516.00						516.00
Tunisia	Dollar		358.00						358.00
Azerbaijan	Dollar		1,038.00						1,038.00
United States	Dollar				4,490.95				4,490.95
Senator Max Cleland:									
England	Dollar		913.27						913.27
Germany	Dollar		712.34						712.34
Belgium	Dollar		316.91						316.91
United States	Dollar				4,517.21				4,517.21
Mr. Michael Willams:									
England	Dollar		864.40						864.40
Germany	Dollar		678.09						678.09
Belgium	Dollar		324.00						324.00
United States	Dollar				4,030.96				4,030.96
Mr. Simon Sargent:									
England	Dollar		861.04						861.04
Germany	Dollar		736.81						736.81
Belgium	Dollar		298.20						298.20
England	Dollar				23.59				23.59
Germany	Dollar				15.23				15.23
Belgiumn	Dollar				16.86				16.86
United States	Dollar				2,913,66				2,913.66
Mr. William S. Chapman									
England	Dollar		920.01						920.01
England	Dollar						26.96		26.96
Germany	Dollar		649.81						649.81
Germany	Dollar						29.91		29.91
Belgium	Dollar		386.56						386.56
Mr. William S. Chapman:									
Belgium	Dollar						23.74		23.74
United States	Dollar				3,539.60				3,539.60
Ms. Jennifer Wardrep:									
England	Dollar		859.35						859.35
England	Dollar				25.28				25.28
Germany	Dollar		766.72						766.72
Germany	Dollar				33.71				33.71
Belgium	Dollar		242.36						242.36
Belgium	Dollar				11.85				11.85
United States	Dollar				2,913.66				2,913.66
Mr. Patrick T. Henry:									
Germany	Dollar		898.00						898.00
Belgium	Dollar		270.00						270.00
United States	Dollar				5,025.83				5,025.83
Senator Jeff Bingaman:									
China	Dollar		771.00						771.00
South Korea	Dollar		786.00						786.00
Japan	Dollar		828.00						828.00
United States	Dollar				4,814.00				4,814.00
Mr. Patrick Von Bargen:									
China	Dollar		771.00						771.00
South Korea	Dollar		786.00						786.00
Japan	Dollar		828.00						828.00
United States	Dollar				4,814.00				4,814.00
Mr. G. Wayne Glass:									
China	Dollar		771.00						771.00
South Korea	Dollar		786.00						786.00
Japan	Dollar		828.00						828.00
United States	Dollar				4,814.00				4,814.00
Mr. Randy Soderquist:									
China	Dollar		771.00						771.00
South Korea	Dollar		786.00						786.00
Japan	Dollar		828.00						828.00
United States	Dollar				4,814.00				4,814.00
Total			22,149.87		46,814.39		80.61		69,044.87

STROM THURMOND,
Chairman, Committee on Armed Services, July 1, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION FOR TRAVEL FROM APR. 1, TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John McCain:									
Canada	Dollar	211.73	149.93					211.73	149.93
United States	Dollar				1,593.81				1,593.81
Mark A. Buse:									
Canada	Dollar	535.52	379.21					535.52	379.21
United States	Dollar				1,167.18				1,167.18
Total			529.14		2,760.99				3,290.13

JOHN McCAIN,
Chairman, Committee on Commerce, Science, and Transportation,
July 22, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES FOR TRAVEL FROM JAN. 1 TO MAR. 31 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Frank H. Murkowski:									
Venezuela	Bolivar	256,949	497.00					256,949	497.00
Senator Daniel Akaka:									
Venezuela	Bolivar	256,949	497.00					256,949	497.00
Senator Craig Thomas:									
Venezuela	Bolivar	256,949	497.00					256,949	497.00
Senator Mary Landrieu:									
Venezuela	Bolivar	256,949	497.00					256,949	497.00
Mary Katherine Ishee:									
Venezuela	Bolivar	153,549	297.00					153,549	297.00
Michael Poling:									
Venezuela	Bolivar	183,793	355.50					183,793	355.50
Jamie H. Fox:									
Venezuela	Bolivar	153,549	297.00					153,549	297.00
Geraldine Gentry:									
Venezuela	Bolivar	163,114	315.50					163,114	315.50
Norma Jane Sabiston:									
Venezuela	Bolivar	168,283	325.50					168,283	325.50
Andrew D. Lundquist:									
Venezuela	Bolivar	188,963	365.50					188,963	365.50
David Garman:									
Venezuela	Bolivar	164,664	318.50					164,664	318.50
Derek Jumper:									
Venezuela	Bolivar	188,963	365.50					188,963	365.50
Senator Frank H. Murkowski:									
United States	Dollar				754.00				754.00
Total			4,628.00		754.00				5,382.00

FRANK MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, June 16, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Sam Brownback:									
Uzbekistan	Dollar		609.00						609.00
Kazakhstan	Dollar		4.00						4.00
Georgia	Dollar		451.00						451.00
United States	Dollar				5,093.22				5,093.22
Senator Chuck Hagel:									
Georgia	Dollar		242.00						242.00
Turkey	Dollar		430.00						430.00
Azerbaijan	Dollar		245.00						245.00
Turkmenistan	Dollar		88.00						88.00
Italy	Dollar		151.00						151.00
United States	Dollar				4,261.09				4,261.09
Senator Gordon Smith:									
Russia	Dollar		1,750.00						1,750.00
Steven Biegun:									
Russia	Dollar		1,750.00						1,750.00
Ellen Bork:									
Burma	Dollar		347.00						347.00
Thailand	Dollar		728.00						728.00
Cambodia	Dollar		425.00						425.00
United States	Dollar				4,025.00				4,025.00
Robert Epplin:									
Russia	Dollar		1,750.00						1,750.00
Michael Haltzel:									
Serbia-Montenegro	Dollar		400.00						400.00
Macedonia	Dollar		280.00						280.00
Albania	Dollar		120.00						120.00
United States	Dollar				3,823.62				3,823.62
Janice O'Connell:									
Costa Rica	Dollar		68.00						68.00
United States	Dollar				882.70				882.70
Frank Jannuzi:									
Thailand	Dollar		450.00						450.00
Burma	Dollar		280.00						280.00
Cambodia	Dollar		500.00						500.00
Indonesia	Dollar		970.00						970.00
United States	Dollar				5,040.00				5,040.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Patti McNerney:									
Tanzania	Shilling	243,688	710.00					243,688	710.00
Netherlands	Guilder	914.63	494.00					914.63	494.00
United States	Dollar				7,585.38				7,585.38
Roger Noriega:									
Bahamas	Dollar		823.00						823.00
United States	Dollar				481.01				481.01
Puneet Talwar:									
Switzerland	Dollar		830.00						830.00
United States	Dollar				4,970.77				4,970.77
Kenneth Peel:									
Georgia	Dollar		242.00						242.00
Turkey	Dollar		430.00						430.00
Azerbaijan	Dollar		245.00						245.00
Turkmenistan	Dollar		88.00						88.00
Italy	Dollar		151.00						151.00
United States	Dollar				4,261.09				4,261.09
Christina Rocca:									
Uzbekistan	Dollar		724.00						724.00
Kyrgyzstan	Dollar		20.00						20.00
Kazakhstan	Dollar		117.00						117.00
Georgia	Dollar		474.00						474.00
United States	Dollar				5,093.22				5,093.22
Elizabeth Wilson:									
Serbia-Montenegro	Dollar		400.00						400.00
Macedonia	Dollar		280.00						280.00
Albania	Dollar		120.00						120.00
United States	Dollar				3,498.62				3,498.62
Michael Westphal:									
Tanzania	Shilling	243,688	710.00					243,688	710.00
Netherlands	Guilder	914.63	494.00					914.63	494.00
United States	Dollar				7,585.38				7,585.38
Total			19,390.00		56,601.10				75,991.10

JESSE HELMS,
Chairman, Committee on Foreign Relations, Aug. 4, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Orrin Hatch:									
United States	Dollar				1,750.00				1,750.00
Robert Dibblee:									
United States	Dollar				1,750.00				1,750.00
Paul Matulic:									
United States	Dollar				1,750.00				1,750.00
Mark Rokala:									
United States	Dollar				972.75				972.75
Switzerland	Franc	1,402.71	948.42	196	132.52			1,598.71	1,080.94
France	Dollar		237.00						237.00
Netherlands	Dollar		270.00						270.00
Senator Robert Torricelli:									
United States	Dollar				4,240.00				4,240.00
Northern Ireland			269.00						269.00
Ireland	Dollar		566.00						566.00
Andrew Dubill:									
United States	Dollar				4,292.00				4,292.00
Northern Ireland	Dollar				269.00				269.00
Ireland	Dollar		713.00						713.00
Joshua D. Shapiro									
United States	Dollar				4,292.00				4,292.00
Northern Ireland	Dollar		269.00						269.00
Ireland	Dollar		713.00						713.00
James P. Fox:									
United States	Dollar				4,292.00				4,292.00
Northern Ireland	Dollar		269.00						269.00
Ireland	Dollar		713.00						713.00
Total			4,967.42		23,740.27				28,707.69

ORRIN HATCH,
Chairman, Committee on the Judiciary, Sept. 1, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE FOR TRAVEL FROM APR. 1, TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Richard Shelby			764.00		1,526.00				2,290.00
William Duhnke			1,038.50		1,526.00				2,564.50
Peter Flory			600.50		1,526.00				2,126.50
Paul Doerrer			844.00		1,526.00				2,370.00
James Stinebower			823.00		481.01				1,304.01
Senator Richard C. Shelby			1,048.57		3,545.62				4,594.19
Peter Dorn			1,081.57		3,545.62				4,627.19
Kenneth Myers			1,307.00		5,684.13				6,991.13
Senator Richard Lugar			227.00		5,684.13				5,911.13
Christopher Straub			339.87		1,573.00				1,912.87
James Stinebower			762.02		1,573.00				2,335.02

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE FOR TRAVEL FROM APR. 1, TO JUNE 30, 1998—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Gina Marie Hatheway			21.50						21.50
Joan Grimson			21.00						21.00
Senator Pat Roberts			468.00						468.00
Total			9,346.53		28,190.51				37,537.04

RICHARD SHELBY,
Chairman, Select Committee on Intelligence, July 7, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON SECURITY AND COOPERATION IN EUROPE FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Orest Deychakiwsky:									
United States	Dollar				4,260.41				4,260.41
Ukraine	Dollar		1,890.00						1,890,00
John Finerty:									
United States	Dollar				4,261.51				4,261.51
Moldova	Dollar		945.00		200.00				1,145.00
Ukraine	Dollar		2,075.00						2,075.00
Chadwick Gore:									
United States	Dollar				4,260.41				4,260.41
Ukraine	Dollar		1,645.00						1,645.00
United States	Dollar				4,832.00				4,832.00
Austria	Dollar		684.00						684.00
Poland	Dollar		1,368.00						1,368.00
Robert Hand:									
Portugal	Dollar		166.00						166.00
Bosnia-Herzegovina	Dollar		532.00						532.00
Belgium	Dollar		220.00						220.00
Serbia-Montenegro	Dollar		532.00		2,756.07				3,288.07
Janice Helwig:									
Austria	Dollar		14,047.92						14,047.92
Rep. Maurice Hinchey:									
Portugal	Dollar		166.00						166.00
Bosnia-Herzegovina	Dollar		1,202.00						1,202.00
Belgium	Dollar		220.00						220.00
Rep. Steny Hoyer:									
United States	Dollar				8,447.91				8,447.91
Japan	Dollar		402.00						402.00
Korea	Dollar		396.00						396.00
Portugal	Dollar		166.00						166.00
Bosnia-Herzegovina	Dollar		1,202.00						1,202.00
Belgium	Dollar		220.00						220.00
Karen Lord:									
United States	Dollar				4,629.12				4,629.12
Germany	Dollar		156.00						156.00
Belgium	Dollar		752.00						752.00
France	Dollar		752.00						752.00
Ronald McNamara:									
United States	Dollar				1,588.43				1,588.43
Spain	Dollar		255.00						255.00
E. Wayne Merry:									
United States	Dollar				3,309.11				3,309.11
Moldova	Dollar		525.00						525.00
Bosnia-Herzegovina	Dollar		1,202.00						1,202.00
Belgium	Dollar		220.00						220.00
Dorothy D. Taft:									
United States	Dollar				2,488.40				2,488.40
Bosnia-Herzegovina	Dollar		495.00						495.00
Belgium	Dollar		390.00						390.00
Czech Republic	Dollar		1,031.00						1,031.00
United States	Dollar				6,458.40				6,458.40
Uzbekistan	Dollar		1,066.00						1,066.00
Turkey	Dollar		168.00						168.00
Austria	Dollar		386.03						386.03
Total			35,476.95		47,491.77				82,968.72

ALFONSE D'AMATO,
Chairman, Commission on Security and Cooperation in Europe,
June 30, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Bill Frist:									
Kuwait	Dollar		230.00						230.00
Belgium	Franc	5,997	162.00					5,997	162.00
Senator Pat Roberts:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00
Sally Walsh:									
United States	Dollar		297.00						297.00
France	Franc	3,763.40	620.00					3,763.40	620.00
Russia	Dollar		626.00						626.00
Germany	Mark	426.53	221.00						221.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FROM APR. 1 TO JUNE 30, 1998—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Total			2,866.00						2,866.00

TRENT LOTT,
Majority Leader, July 20, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY AND MINORITY LEADERS FROM MAY 23 TO MAY 31, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Don Nickles:									
United States	Dollar				4,873.52				4,873.52
Israel	Dollar		660.00						660.00
Cyprus	Pound	99.84	192.00					99.84	192.00
Italy	Dollar		210.00						210.00
	Lire	158,067	91.00					158,067	91.00
Senator Joseph Lieberman:									
United States	Dollar				4,777.48				4,777.48
Israel	Dollar		969.60						969.60
Cyprus	Pound	88.54	170.00					88.54	170.00
Senator Jack Reed:									
United States	Dollar				4,994.20				4,994.20
Israel	Dollar		684.00						684.00
Bret Bernhardt:									
United States	Dollar				3,396.52				3,396.52
Israel	Dollar		667.00						667.00
Cyprus	Pound	99.84	192.00					99.84	192.00
Italy	Dollar		210.00						210.00
	Lire	158,067	91.00					158,067	91.00
Sherry Brown:									
United States	Dollar				2,553.78				2,553.78
Israel	Dollar		1,126.40						1,126.40
Cyprus	Pound	99.76	191.93					99.76	191.93
Sally Walsh:									
United States	Dollar				5,028.20				5,028.20
Israel	Dollar		860.00						860.00
Delegation Expenses: [1]									
Israel							3,937.46		3,937.46
Jordan							368.36		368.36
Cyprus							609.82		609.82
Bosnia-Herzegovina							285.03		285.03
Italy							945.41		945.41
Total			6,314.93		25,623.70		6,146.08		38,084.71

[1] Delegation expenses include direct payments and reimbursements to the Department of State and the Department of Defense under authority of Section 502(b) of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95–384, and Senate Resolution 179, agreed to May 25, 1977.

TRENT LOTT, Majority Leader,
TOM DASCHLE, Democratic Leader, Sept. 9, 1998.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT CONCERNING THE CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO UNITA—MESSAGE FROM THE PRESIDENT—PM 159

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency declared with respect to the National Union for the Total Independence of Angola (''UNITA'') is to continue in effect beyond September 26, 1998, to the *Federal Register* for publication.

The circumstances that led to the declaration on September 26, 1993, of a national emergency have not been resolved. The actions and policies of UNITA pose a continuing unusual and extraordinary threat to the foreign policy of the United States. United Nations Security Council Resolutions 864 (1993), 1127 (1997), 1173 (1998), and 1176 (1998) continue to oblige all member states to maintain sanctions. discontinuation of the sanctions would have a prejudicial effect on the Angolan peace process. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to UNITA to reduce its ability to pursue its aggressive policies of territorial acquisition.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 23, 1998*.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 6:02 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 1695. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Sand Creek Massacre National Historic Site in the State of Colorado as a unit of the National Park System, and for other purposes.

H.R. 1856. An act to amend the Fish and Wildlife Act of 1956 to promote volunteer programs and community partnerships for the benefits of national wildlife refuges, and for other purposes.

REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. STEVENS, from the Committee on Appropriations:

Special Report entitled ''Further Revised Allocation to Subcommittees of Budget Totals for Fiscal Year 1999'' (Rept. No. 105–345).

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. JEFFORDS, from the Committee on Labor and Human Resources:

Henry L. Solano, of Colorado, to be Solicitor of the Department of Labor.

Jane E. Henney, of New Mexico, to be Commissioner of Food and Drugs, Department of Health and Human Services.

Thomasina V. Rogers, of Maryland, to be a Member of the Occupational Safety and Health Review Commission for a term expiring April 27, 2003.

Joseph E. Stevens, Jr., of Missouri, to be a Member of the Board of Trustees of the Harry S Truman Scholarship Foundation for a term expiring December 10, 2003. (Reappointment)

Paul M. Igasaki, of California, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 2002, (Reappointment), to which position he was appointed during the last recess of the Senate.

Ida L. Castro, of New York, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 2003.

Paul Steven Miller, of California, to be a Member of the Equal Employment Opportunity Commission for the remainder of the term expiring July 1, 1999.

Joy Harjo, of New Mexico, to be a Member of the National Council on the Arts for a term expiring September 3, 2002.

Joan Specter, of Pennsylvania, to be a Member of the National Council on the Arts for a term expiring September 3, 2002.

Patricia T. Montoya, of New Mexico, to be Commissioner on Children, Youth, and Families, Department of Health and Human Services.

(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.)

By Mr. CHAFEE, from the Committee on Environment and Public Works:

Romulo L. Diaz, Jr., of the District of Columbia, to be an Assistant Administrator of the Environmental Protection Agency.

J. Charles Fox, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency.

Norine E. Noonan, of Florida, to be an Assistant Administrator of the Environmental Protection Agency.

Terrence L. Bracy, of Virginia, to be a Member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy for a term expiring October 6, 2004. (Reappointment)

(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.)

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

Charles G. Groat, of Texas, to be Director of the United States Geological Survey.

Gregory H. Friedman, of Maryland, to be Inspector General of the Department of Energy.

(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.)

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. KEMPTHORNE:

S. 2512. A bill to establish a National Resources Institute at the Idaho National Engineering and Environmental Laboratory; to the Committee on Environment and Public Works.

By Mr. SMITH of Oregon:

S. 2513. A bill to transfer administrative jurisdiction over certain Federal land located within or adjacent to Rogue River National Forest and to clarify the authority of the Bureau of Land Management to sell and exchange other Federal land in Oregon; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 281. A resolution to authorize testimony and representation of employees of the Senate in United States v. Alphonso Michael Espy; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KEMPTHORNE:

S. 2512. A bill to establish a National Resources Institute at the Idaho National Engineering and Environmental Laboratory; to the Committee on Environment and Public Works.

NATIONAL RESOURCES INSTITUTE LEGISLATION

● Mr. KEMPTHORNE. Mr. President, today I introduce the Natural Resources Institute legislation. Congressman CRAPO, who represents the second Congressional district in my state of Idaho, introduced the Natural Resources Institute legislation in the House, on September 17, 1998. I believe this legislation will help find solutions to many of the problems that affect the health of our environment.

This country is faced with the challenge of protecting the environment, while maintaining economic growth. The use of our nation's natural resources touches all of our lives every day. However, this use has left a legacy of fragmented land-use and regions of environmental degradation, including areas in my home state of Idaho.

Unfortunately, there has not been a comprehensive and coordinated effort to address these environmental issues or an organized effort to help other communities from making similar mistakes. I believe that many of these problems could be avoided if the communities faced with land-use decisions had access to sound scientific research.

The Natural Resources Institute Act, utilizing expertise from national laboratories and universities, will provide communities with access to sound scientific research when making environmental and land-use decisions. In addition, the Natural Resources Institute Act will coordinate research efforts to solve real-world environmental problems. It will be particularly helpful in addressing problems associated with agriculture, logging, grazing, hydropower, fishing, mining, recreation and other natural resource activities.

Mr. President, I believe this important legislation gives state and local governments the necessary tools to make sound informed decisions regarding land-use decisions. I would like to commend Congressman CRAPO for his leadership on this important issue.●

By Mr. SMITH of Oregon:

S. 2513. A bill to transfer administrative jurisdiction over certain Federal land located within or adjacent to Rogue River National Forest and to clarify the authority of the Bureau of Land Management to sell and exchange other Federal land in Oregon; to the Committee on Energy and Natural Resources.

OREGON PUBLIC LAND TRANSFER AND PROTECTION ACT OF 1998

● Mr. SMITH of Oregon. Mr. President, today I am introducing legislation to transfer the administrative jurisdiction over certain lands within or adjacent to the Rogue River National Forest and to clarify the authority of the Bureau of Land Management to sell and exchange Oregon and California Railroad grant lands (O and C lands) in Oregon. The bill represents a thoughtfully crafted compromise agreed to by the majority and minority in the other body, and the O and C counties and the timber industry in my state.

Title I of the bill would consolidate the management over certain parcels of federal land by transferring jurisdiction over these parcels between the Forest Service and the Bureau of Land Management. The status of any O and C lands transferred will not change, regardless of which agency has jurisdiction over the lands following the transfer. This is not a land exchange in the traditional sense, but rather the transfer of jurisdiction between two agencies of lands already in federal ownership. It is my understanding that the Administration supports this transfer.

Title II of the bill provides that, over successive ten-year periods, there will be no net loss of acres designated as O and C lands. These lands are somewhat unique in the federal inventory, and are managed in accordance with the

Act of August 28, 1937, and other applicable federal statutes.

There have been concerns on the part of the O and C counties that the O and C lands will be used by the federal government in land exchanges and sales, thereby diminishing the total acreage over time. Since the counties rely on revenues from these lands, it is important to clarify that it is the intent of Congress that the acreage remain constant.

Mr. President, this bill is non-controversial, and I would ask for the support of my colleagues on enactment of this measure before the end of this Congress. 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. 2513

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Oregon Public Land Transfer and Protection Act of 1998''.

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

TITLE I—ROGUE RIVER NATIONAL FOREST TRANSFERS

SEC. 101. LAND TRANSFERS INVOLVING ROGUE RIVER NATIONAL FOREST AND OTHER PUBLIC LAND IN OREGON.

(a) TRANSFER FROM PUBLIC DOMAIN TO NATIONAL FOREST.—

(1) LAND TRANSFER.—The public domain land depicted on the map entitled ''BLM/Rogue River N.F. Administrative Jurisdiction Transfer'' and dated April 28, 1998, consisting of approximately 2,058 acres within the external boundaries of Rogue River National Forest in the State of Oregon, is added to and made a part of Rogue River National Forest.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the land described in paragraph (1) is transferred from the Secretary of the Interior to the Secretary of Agriculture.

(3) MANAGEMENT.—Subject to valid existing rights, the Secretary of Agriculture shall manage the land described in paragraph (1) as part of Rogue River National Forest in accordance with the Act of March 1, 1911 (commonly known as the ''Weeks Law'') (36 Stat. 961, chapter 186), and other laws (including regulations) applicable to the National Forest System.

(b) TRANSFER FROM NATIONAL FOREST TO PUBLIC DOMAIN.—

(1) LAND TRANSFER.—The Federal land depicted on the map entitled ''BLM/Rogue River N.F. Administrative Jurisdiction Transfer'' and dated April 28, 1998, consisting of approximately 1,632 acres within the external boundaries of Rogue River National Forest, is transferred to unreserved public domain status, and the status of the land as part of Rogue River National Forest and the National Forest System is revoked.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the land described in paragraph (1) is transferred from the Secretary of Agriculture to the Secretary of the Interior.

(3) MANAGEMENT.—Subject to valid existing rights, the Secretary of the Interior shall administer such land under the laws (including regulations) applicable to unreserved public domain land.

(c) RESTORATION OF STATUS OF CERTAIN NATIONAL FOREST LAND AS REVESTED RAILROAD GRANT LAND.—

(1) RESTORATION OF EARLIER STATUS.—The Federal land depicted on the map entitled ''BLM/Rogue River N.F. Administrative Jurisdiction Transfer'' and dated April 28, 1998, consisting of approximately 4,298 acres within the external boundaries of Rogue River National Forest, is restored to the status of revested Oregon and California Railroad grant land, and the status of the land as part of Rogue River National Forest and the National Forest System is revoked.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the land described in paragraph (1) is transferred from the Secretary of Agriculture to the Secretary of the Interior.

(3) MANAGEMENT.—Subject to valid existing rights, the Secretary of the Interior shall administer the land described in paragraph (1) under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.), and other laws (including regulations) applicable to revested Oregon and California Railroad grant land under the administrative jurisdiction of the Secretary of the Interior.

(d) ADDITION OF CERTAIN REVESTED RAILROAD GRANT LAND TO NATIONAL FOREST.—

(1) LAND TRANSFER.—The revested Oregon and California Railroad grant land depicted on the map entitled ''BLM/Rogue River N.F. Administrative Jurisdiction Transfer'' and dated April 28, 1998, consisting of approximately 960 acres within the external boundaries of Rogue River National Forest, is added to and made a part of Rogue River National Forest.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the land described in paragraph (1) is transferred from the Secretary of the Interior to the Secretary of Agriculture.

(3) MANAGEMENT.—Subject to valid existing rights, the Secretary of Agriculture shall manage the land described in paragraph (1) as part of Rogue River National Forest in accordance with the Act of March 1, 1911 (36 Stat. 961, chapter 186), and other laws (including regulations) applicable to the National Forest System.

(4) DISTRIBUTION OF RECEIPTS.—Notwithstanding the sixth paragraph under the heading ''FOREST SERVICE'' in the Act of May 23, 1908 and section 13 of the Act of March 1, 1911 (16 U.S.C. 500), revenues derived from the land described in paragraph (1) shall be distributed in accordance with the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(e) BOUNDARY ADJUSTMENT.—The boundaries of Rogue River National Forest are adjusted to encompass the land transferred to the administrative jurisdiction of the Secretary of Agriculture under this section and to exclude private property interests adjacent to the exterior boundaries of Rogue River National Forest, as depicted on the map entitled ''Rogue River National Forest Boundary Adjustment'' and dated April 28, 1998.

(f) MAPS.—Not later than 60 days after the date of enactment of this Act, the maps described in this section shall be available for public inspection in the office of the Chief of the Forest Service.

(g) MISCELLANEOUS REQUIREMENTS.—As soon as practicable after the date of enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall—

(1) revise the public land records relating to the land transferred under this section to reflect the administrative, boundary, and other changes made by this section; and

(2) publish in the Federal Register appropriate notice to the public of the changes in administrative jurisdiction made by this section with regard to the land.

TITLE II—PROTECTION OF OREGON AND CALIFORNIA RAILROAD GRANT LAND

SEC. 201. DEFINITIONS.

In this title:

(1) O & C LAND.—The term ''O & C land'' means the land (commonly known as ''Oregon and California Railroad grant land'') that—

(A) revested in the United States under the Act of June 9, 1916 (39 Stat. 218, chapter 137); and

(B) is managed by the Secretary of the Interior through the Bureau of Land Management under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(2) CBWR LAND.—the term ''CBWR land'' means the land (commonly known as ''Coos Bay Wagon Road grant land'') that—

(A) was reconveyed to the United States under the Act of February 26, 1919 (40 Stat. 1179, chapter 47); and

(B) is managed by the Secretary of the Interior through the Bureau of Land Management under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(3) PUBLIC DOMAIN LAND.—

(A) IN GENERAL.—The term ''public domain land'' has the meaning given the term ''public lands'' in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).

(B) EXCLUSIONS.—The term ''public domain land'' does not include O & C land or CBWR land.

(4) GEOGRAPHIC AREA.—The term ''geographic area'' means the area in the State of Oregon within the boundaries of the Medford District, Roseburg District, Eugene District, Salem District, Coos Bay District, and Klamath Resource Area of the Lakeview District of the Bureau of Land Management, as the districts and the resource area were constituted on January 1, 1998.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

SEC. 202. NO NET LOSS OF O & C LAND, CBWR LAND, OR PUBLIC DOMAIN LAND.

IN carrying out sales, purchases, and exchanges of land in the geographic area, the Secretary shall ensure that on expiration of the 10-year period beginning on the date of enactment of this Act and on expiration of each 10-year period thereafter, the number of acres of O & C land and CBWR land in the geographic area, and the number of acres of O & C land, CBWR land, and public domain land in the geographic area that are available for timber harvesting, are not less than the number of acres of such land on the date of enactment of this Act.

SEC. 203. RELATIONSHIP TO UMPAQUA LAND EXCHANGE AUTHORITY.

Notwithstanding any other provision of this title, this title shall not apply to an exchange of land authorized under section 1028 of the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104–333; 110 Stat. 4231), or any implementing legislation or administrative rule, if the land exchange is consistent with the memorandum of understanding between the Umpqua Land Exchange Project and the Association of Oregon and California Land Grant Counties dated February 19, 1998.●

ADDITIONAL COSPONSORS

S. 537

At the request of Ms. MIKULSKI, the name of the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 537, a bill to amend title III of the Public Health Service Act to revise and extend the mammography quality standards program.

S. 1307

At the request of Mr. DASCHLE, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 1307, a bill to amend the Employee Retirement Income Security Act of 1974 with respect to rules governing litigation contesting termination or reduction of retiree health benefits and to extend continuation coverage to retirees and their dependents.

S. 1362

At the request of Mr. GRASSLEY, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 1362, a bill to promote the use of universal product members on claims forms used for reimbursement under the medicare program.

S. 1924

At the request of Mr. MACK, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 1924, a bill to restore the standards used for determining whether technical workers are not employees as in effect before the Tax Reform Act of 1986.

S. 2162

At the request of Mr. MACK, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2162, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of printed wiring board and printed wiring assembly equipment.

S. 2222

At the request of Mr. GRASSLEY, the names of the Senator from South Dakota (Mr. JOHNSON) and the Senator from North Dakota (Mr. CONRAD) were added as cosponsors of S. 2222, a bill to amend title XVIII of the Social Security Act to repeal the financial limitation on rehabilitation services under part B of the Medicare Program.

S. 2338

At the request of Mr. MOYNIHAN, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 2338, a bill to amend the Harmonized Tariff Schedule of the United States to provide for equitable duty treatment for certain wool used in making suits.

S. 2354

At the request of Mr. BOND, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 2354, a bill to amend title XVIII of the Social Security Act to impose a moratorium on the implementation of the per beneficiary limits under the interim payment system for home health agencies, and to modify the standards for calculating the per visit cost limits and the rates for prospective payment systems under the medicare home health benefit to achieve fair reimbursement payment rates, and for other purposes.

S. 2364

At the request of Mr. CHAFEE, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2371

At the request of Mr. LOTT, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 2371, a bill to amend the Internal Revenue Code of 1986 to reduce individual capital gains tax rates and to provide tax incentives for farmers.

S. 2392

At the request of Mr. BENNETT, the names of the Senator from California (Mrs. FEINSTEIN), the Senator from Oregon (Mr. SMITH), and the Senator from North Carolina (Mr. FAIRCLOTH) were added as cosponsors of S. 2392, a bill to encourage the disclosure and exchange of information about computer processing problems and related matters in connection with the transition to the Year 2000.

S. 2412

At the request of Mr. BURNS, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Massachusetts (Mr. KERRY), and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S. 2412, a bill to create employment opportunities and to promote economic growth establishing a public-private partnership between the United States travel and tourism industry and every level of government to work to make the United States the premiere travel and tourism destination in the world, and for other purposes.

SENATE RESOLUTION 257

At the request of Mr. MURKOWSKI, the names of the Senator from Wyoming (Mr. ENZI), the Senator from Wyoming (Mr. THOMAS), and the Senator from Louisiana (Ms. LANDRIEU) were added as cosponsors of Senate Resolution 257, a resolution expressing the sense of the Senate that October 15, 1998, should be designated as ''National Inhalant Abuse Awareness Day.''

SENATE RESOLUTION 281—TO AUTHORIZE TESTIMONY AND REPRESENTATION OF EMPLOYEES OF THE SENATE

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 281

Whereas, in the case of United States v. Alphonso Michael Espy, Criminal Case No. 97–0335, pending in the United States District Court for the District of Columbia, a trial subpoena has been served upon Galen Fountain and Jo Nobles, employees of the Senate, and Leslie Chalmers Tagg, formerly an employee of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved That Galen Fountain, Jo Nobles, Leslie Chalmers Tagg, and any other employee from whom testimony may be required, are authorized to testify in the case of United States v. Alphonso Michael Espy, except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent Galen Fountain, Jo Nobles, Leslie Chalmers Tagg, and any other employee of the Senate, in connection with testimony in United States v. Alphonso Michael Espy.

AMENDMENTS SUBMITTED

CONSUMER BANKRUPTCY REFORM ACT OF 1998

DODD AMENDMENT NO. 3614

Mr. DODD proposed an amendment to amendment No. 3559 proposed by Mr. GRASSLEY to the bill (S. 1301) to amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes; as follows:

At the appropriate place, insert the following:

Sec. . PROTECTION OF SAVINGS EARMARKED FOR THE POSTSECONDARY EDUCATION OF CHILDREN.—Section 541(b) of title 11, United States Code, as amended by section 403 of this Act, is amended—

(1) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(2) by inserting after paragraph (6) the following:

''(7) except as otherwise provided under applicable State law, any funds placed in a qualified State tuition program (as described in section 529(b) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief or

''(8) any funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief.''.

FEINSTEIN (AND OTHERS) AMENDMENT NO. 3615

Mrs. FEINSTEIN (for herself, Mr. DURBIN, and Mr. JEFFORDS) proposed an amendment to the bill, S. 1301, supra; as follows:

At the appropriate place in title VII, insert the following:

SEC. . ENCOURAGING CREDITWORTHINESS.

(2) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(a)(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the ''Board'') shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumer are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 24 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the credit industry's indiscriminate solicitation and extension of credit;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

HARKIN (AND OTHERS) AMENDMENT NO. 3616

Mr. HARKIN (for himself, Mr. DORGAN, Mr. CONRAD, Mr. WELLSTONE, Mr. BRYAN, and Mr. KERREY) proposed an amendment to the bill, S. 1301, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE CONGRESS REGARDING INTEREST RATES.

(a) FINDINGS.—The Congress finds, as of the date of enactment of this Act, that—

(1) real interest rates are at historically high levels, the highest in 9 years;

(2) the Federal Funds rate is 5.5 percent, where it has been since March 1997, despite an inflation rate of 1.6 percent:

(3) between 1992 and 1994, the Federal Funds rate averaged 3.6 percent, while inflation was at 2.8 percent;

(4) to confirm that real interest rates are historically high, the Chairman of the Board of Governors of the Federal Reserve System, Alan Greenspan, said during his Humphrey-Hawkins testimony before the Committee on Banking and Financial Services of the House of Representatives on February 24, 1998, ''Statistically, it is a fact that real interest rates are higher now than they have been on the average of the post-World War II period.'';

(5) inflation over the 2 years preceding the date of enactment of this Act was at its lowest level since the 1960's;

(6) interest rates on 30 year Treasury bonds have sunk to record lows and are below the Federal funds rate, a signal that the United States economy could be headed for a recession;

(7) United States corporate earnings in the second quarter of 1998 were down 1.3 percent from a year earlier;

(8) a reduction in interest rates would increase resources for business growth;

(9) the farm debt is at its highest level since 1985, and broad commodity price indexes are extremely low;

(10) there are significant, widespread signs of global deflation, to which the United States has not been exposed since the Great Depression;

(11) there has been a deterioration in a number of economies around the world, which will negatively impact the United States through fewer purchases of United States exports and a greater influx of cheap imports to the United States;

(12) the United States economy is a large, healthy economic engine, and if the United States economy does slow, it would be exceedingly difficult for the world-wide economy to recover;

(13) a decline in equity values could dampen confidence and slow consumer and business spending, which together represents four-fifths of the United States economy;

(14) a decline in United States interest rates would help bolster the currencies of countries throughout the world suffering from economic hardships; and

(15) a reduction in interest rates would strengthen the United States economy over the next year while the world's weakened economies recover.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the Federal Open Market Committee should promptly reduce the Federal Funds rate.

GRASSLEY AMENDMENT NO. 3617

Mr. GRASSLEY proposed an amendment to the bill, S. 1301, supra; as follows:

SEC. . TREASURY DEPARTMENT STUDY REGARDING SECURITY INTERESTS UNDER AN OPEN END CREDIT PLAN.

(a) Within 180 days of the enactment of this Act, the Federal Reserve Board in consultation with the Treasury Department, the general credit industry, and consumer groups, shall prepare a study regarding the adequacy of information received by consumers regarding the creation of security interests under open end credit plans.

(b) FINDINGS.—This study shall include the Board's findings regarding:

(1) whether consumers understand at the time of purchase of property under an open end credit plan that such property may serve as collateral under that credit plan;

(2) whether consumers understand at the time of purchase the legal consequences of disposing of property that is purchased under an open credit plan and is subject to a security interest under than plan; and

(3) whether creditors holding security interests in property purchased under an open end credit plan use such security interests to cover reaffirmations of existing debts under section 524 of the United States Bankruptcy Code.

In formulating these findings, the Board shall consider, among other factors it deems relevant, prevailing industry practices in this area.

(c) DISCLOSURE RECOMMENDATIONS.—This study shall also include the Board's recommendations regarding the utility and practicality of additional disclosures by credit card issuers at the time of purchase regarding security interests under open end credit plans, including, but not limited to:

(1) disclosures of the specific property in which the creditor will receive a security interest;

(2) disclosures of the consequences of nonpayment of the card balance, including how the security interest may be enforced; and

(3) disclosures of the process by which payments made on the card will be credited with respect to the lien created by the security contract and other debts on the card.

(d) The Board shall submit this report to the Senate Committee on the Judiciary, the Senate Committee on Banking, Housing, and Urban Affairs, the House Committee on the Judiciary, and the House Committee on Banking and Financial Services within the time allotted by this section.

Insert at an appropriate place:

Section 546 of title 11, United States Code, is amended by inserting at the end thereof—

''(I) Notwithstanding section 545(2) and (3) of this title, the trustee may not avoid a warehouseman's lien for storage, transportation or other costs incidental to the storage and handling of goods, as provided by Section 7–209 of the Uniform Commercial Code.''

Insert at an appropriate place:

Section 330(a) of Title 11 is amended:

(1) in subsection (3)(A) after the word ''awarded'', by inserting ''to an examiner, Chapter 11 trustee, or professional person''; and

(2) by adding at the end of subsection (3)(A) the following:

''(3)(B) In determining the amount of reasonable compensation to be awarded a trustee, the court shall treat such compensation as a commission based on the results achieved.''

On page 59 of amendment 3595, after clause ''(v)'', insert ''(vi) not unfair because excessive in amount based upon the value of the collateral.''

On page 60 of amendment 3595, after clause ''(iii)'' insert ''(iv) the following statement: If your current rate is a temporary introductory rate, your total costs may be higher.''

NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

McCAIN (AND FORD) AMENDMENT NO. 3618

Mr. MCCAIN (for himself and Mr. FORD) proposed an amendment to the bill (S. 2279) to amend title 49, United States Code, to authorize the programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001, and 2002, and for other purposes; as follows:

On page 88, in the matter appearing after line 8, strike the item relating to section 106.

On page 88, in the matter appearing after line 8, insert the following after the item relating to section 211:

Sec. 212. Airfield pavement conditions.

On page 89, strike the item relating to section 403.

On page 89, strike the item relating to section 503 and insert the following:

Sec. 503. Runway safety areas; precision approach path indicators.

On page 89, after the item relating to section 519 insert the following:

Sec. 520. Improvements to air navigation facilities.
Sec. 521. Denial of airport access to certain air carriers.
Sec. 522. Tourism.
Sec. 523. Equivalency of FAA and EU safety standards.
Sec. 524. Sense of the Senate on property taxes on public-use airports.
Sec. 525. Federal Aviation Administration Personnel Management System.
Sec. 526. Aircraft and aviation component repair and maintenance advisory panel.
Sec. 527. Report on enhanced domestic airline competition.
Sec. 528. Aircraft situational display data.

On page 89 strike the items relating to section 606 through 612 and insert the following:

Sec. 606. Slot exemptions for nonstop regional jet service.
Sec. 607. Exemptions to perimeter rule at Ronald Reagan Washington national airport.
Sec. 608. Additional slots at Chicago O'Hare International Airport.
Sec. 609. Consumer notification of e-ticket expiration dates.
Sec. 610. Joint venture agreements.
Sec. 611. Regional air service incentive options.
Sec. 612. GAO study of air transportation needs.

On page 89, after the item relating to section 704, insert the following:

Sec. 705. Prohibition of commercial air tours over the Rocky Mountain National Park.

On page 89, strike the items relating to title VIII and to section 801, and insert the following:

TITLE VIII—CENTENNIAL OF FLIGHT COMMEMORATION

Sec. 801. Short title.
Sec. 802. Findings.
Sec. 803. Establishment.
Sec. 804. Membership.
Sec. 805. Duties.
Sec. 806. Powers.
Sec. 807. Staff and support services
Sec. 808. Contributions.
Sec. 809. Exclusive right to name, logos, emblems, seals, and marks.
Sec. 810. Reports.
Sec. 811. Audit of financial translations.
Sec. 812. Advisory board.
Sec. 813. Definitions.
Sec. 614. Termination.
Sec. 815. Authorization of appropriations.

On page 90, line 10, insert:

''(a) IN GENERAL.—'' before ''Section''.

On page 90, between lines 15 and 16, insert the following:

(b) COORDINATION.—The authority granted the Secretary under section 41717 of title 49, United States Code, does not affect the Secretary's authority under any other provision of law.

On page 90, beginning with ''1999,'' in line 16, strike through ''2002.'' in line 18 and insert the following: ''1999 and $5,784,000,000 for fiscal year 2000.''.

On page 92, line 23, insert ''and'' after the semicolon.

On page 92, line 24, strike ''2000;'' and insert ''2000.''.

On page 92, beginning with line 25, strike through line 1 on page 93.

On page 93, line 5, strike ''1999, 2000, 2001, and 2002'' and insert ''1999 and 2000''.

On page 93, line 25, strike ''1999,'' and insert ''1999 and''.

On page 94, beginning with ''2000,'' in line 1, strike through line 3 and insert ''2000.'. ''.

On page 94, line 18, insert ''at the end thereof'' after ''adding''.

On page 96, beginning in line 8, strike ''analysis for subchapter I of'' and insert ''chapter analysis for''.

On page 96, line 10, strike ''adding at the end'' and insert ''inserting after the item relating to section 47135''.

On page 97, beginning in line 13, strike ''the demonstration program result in'' and insert ''this section be used in a manner giving rise to''.

On page 103, line 19, strike ''subchapter'' and insert ''chapter''.

On page 105, line 15, insert a comma after ''systems''.

On page 106, line 8, strike ''Notwithstanding'' and insert ''(a) IN GENERAL.—Notwithstanding''.

On page 106, between lines 16 and 17, insert the following:

(b) EFFECTIVE DATE.—This section applies to any request filed on or after the date of enactment of this Act.

On page 107, line 10, after ''conditioning)'' insert ''and aircraft fueling facilities adjacent to an airport terminal building''.

On page 107, between lines 12 and 13, insert the following:

SEC. 212. AIRFIELD PAVEMENT CONDITIONS.

(a) EVALUATION OF OPTIONS.—The Administrator of the Federal Aviation Administration shall evaluate options for improving the quality of information available to the Administration on airfield pavement conditions for airports that are part of the national air transportation system, including—

(1) improving the existing runway condition information contained in the Airport Safety Data Program by reviewing and revising rating criteria and providing increased training for inspectors;

(2) requiring such airports to submit pavement condition index information as part of their airport master plan or as support in applications for airport improvement grants; and

(3) requiring all such airports to submit pavement condition index information on a regular basis and using this information to create a pavement condition database that could be used in evaluating the cost-effectiveness of project applications and forecasting anticipated pavement needs.

(b) REPORT TO CONGRESS.—The Administrator shall transmit a report, containing an evaluation of such options, to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure not later than 12 months after the date of enactment of this Act.

On page 110, line 3, insert a comma after ''business''.

On page 110, line 4, insert a comma after ''residence''.

On page 110, line 10, insert a comma after ''business''.

On page 110, line 11, insert a comma after ''residence''.

On page 111, beginning with line 4, strike through line 9 on page 112 and insert the following:

Section 45301 is amended by striking ''government.'' in subsection (a)(2) and inserting ''government or to any entity obtaining services outside the United Sates.''.

On page 115, beginning with line 14, strike through line 13 on page 116.

On page 117, beginning with line 21, strike through line 2 on page 118, and insert the following:

SEC. 503. RUNAWAY SAFETY AREAS; PRECISION APPROACH PATH INDICATORS.

Within 6 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall solicit comments on the need for—

(1) the improvement of runway safety areas; and

(2) the installation of precision approach path indicators.

On page 118, strike lines 6 through 12 and insert the following:

''(b) NONAPPLICATION.—Subsection (a) does not apply to aircraft when used in—

''(1) scheduled flights by scheduled air carriers holding certificates issued by the Secretary of Transportation under subpart II of this part;

''(2) training operations conducted entirely within a 50-mile radius of the airport from which the training operations begin;

''(3) flight operations related to the design and testing, manufacture, preparation, and delivery of aircraft;

''(4) showing compliance with regulations, exhibition, or air racing; or

''(5) the aerial application of a substance for an agricultural purpose.''.

On page 118, between lines 12 and 13, insert the following:

(b) COMPLIANCE.—Section 44712 is amended by redesignating subsection (c) as subsection (d), and by inserting after subsection (b) the following:

''(c) COMPLIANCE.—An aircraft is deemed to meet the requirement of subsection (a) if it is equipped with an emergency locator transmitter that transmits on the 121.5/243 megahertz frequency or the 406 megahertz frequency, or with other equipment approved by the Secretary for meeting the requirement of subsection (a).''.

On page 118, line 13, strike ''(b)'' and insert ''(c).

On page 118, line 17, strike ''subsection (a)'' and insert ''this section''.

On page 118, line 19, strike ''amendment made by subsection (a)'' and insert ''amendments made by this section''.

On page 118, beginning with line 21, strike through line 11 on page 119, and insert the following:

(a) DENIAL; REVOCATION; AMENDMENT OF CERTIFICATE.—

(a) IN GENERAL.—Chapter 447 is amended by adding at the end thereof the following:

''§ 44725. Denial and revocation of certificate for counterfeit parts violations

''(a) DENIAL OF CERTIFICATE.—

''(1) IN GENERAL.—Except as provided in paragraph (2) of this subsection and subsection (e)(2) of this section, the Administrator may not issue a certificate under this chapter to any person—

''(A) convicted of a violation of a law of the United States or of a State relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material; or

''(B) subject to a controlling or ownership interest of an individual convicted of such a violation.

''(2) EXCEPTION.—Notwithstanding paragraph (1), the Administrator may issue a certificate under this chapter to a person described in paragraph (1) if issuance of the certificate will facilitate law enforcement efforts.

''(b) REVOCATION OF CERTIFICATE.—

''(1) IN GENERAL.—Except as provided in subsections (f) and (g) of this section, the Administrator shall issue an order revoking a certificate issued under this chapter if the Administrator finds that the holder of the certificate, or an individual who has a controlling or ownership interest in the holder—

''(A) was convicted of a violation of a law of the United States or of a State relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material; or

''(B) knowingly carried out or facilitated an activity punishable under such a law.

''(2) NO AUTHORITY TO REVIEW VIOLATION.—In carrying out paragraph (1) of this subsection, the Administrator may not review whether a person violated such a law.

''(c) NOTICE REQUIREMENT.—Before the Administrator revokes a certificate under subsection (b), the Administrator shall—

''(1) advise the holder of the certificate of the reason for the revocation; and

''(2) provide the holder of the certificate an opportunity to be heard on why the certificate should not be revoked.

''(d) APPEAL.—The provisions of section 44710(d) apply to the appeal of a revocation order under subsection (b). For the purpose of applying that section to such an appeal, 'person' shall be substituted for 'individual' each place it appears.

''(e) ACQUITTAL OR REVERSAL.—

''(1) IN GENERAL.—The Administrator may not revoke, and the Board may not affirm a revocation of, a certificate under section (b)(1)(B) of this section if the holder of the certificate, or the individual, is acquitted of all charges related to the violation.

''(2) REISSUANCE.—The Administrator may reissue a certificate revoked under subsection (b) of this section to the former holder if—

''(A) the former holder otherwise satisfies the requirements of this chapter for the certificate;

''(B) the former holder, or individual, is acquitted of all charges related to the violation on which the revocation was based; or

''(C) the conviction of the former holder, or individual, of the violation on which the revocation was based is reversed.

''(f) WAIVER.—The Administrator may waive revocation of a certificate under subsection (b) of this section if—

''(1) a law enforcement official of the United States Government, or of a State (with respect to violations of State law), requests a waiver; or

''(2) the waiver will facilitate law enforcement efforts.

''(g) AMENDMENT OF CERTIFICATE.—If the holder of a certificate issued under this chapter is other than an individual and the Administrator finds that—

''(1) an individual who had a controlling or ownership interest in the holder committed a violation of a law for the violation of which a certificate may be revoked under this section, or knowingly carried out or facilitated an activity punishable under such a law; and

''(2) the holder satisfies the requirements for the certificate without regard to that individual,

then the Administrator may amend the certificate to impose a limitation that the certificate will not be valid if that individual has a controlling or ownership interest in the holder. A decision by the Administrator under this subsection is not reviewable by the Board.''.

''(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 447 is amended by adding at the end thereof the following:

''44725. Denial and revocation of certificate for counterfeit parts violations''.

On page 119, line 12, strike ''(c)'' and insert ''(b)''.

On page 121, beginning with line 10, strike through line 8 on page 123 and insert the following:

SEC. 508. CONVEYANCES OF UNITED STATES GOVERNMENT LAND.

(a) IN GENERAL.—Section 47125(a) is amended to read as follows:

''(a) CONVEYANCES TO PUBLIC AGENCIES.—

''(1) REQUEST FOR CONVEYANCE.—Except as provided in subsection (b) of this section, the Secretary of Transportation—

''(A) shall request the head of the department, agency, or instrumentality of the United States Government owning or controlling land or airspace to convey a property interest in the land or airspace to the public agency sponsoring the project or owning or controlling the airport when necessary to carry out a project under this subchapter at a public airport, to operate a public airport, or for the future development of an airport under the national plan of integrated airport systems; and

''(B) may request the head of such a department, agency, or instrumentality to convey a property interest in the land or airspace to such a public agency for a use that will complement, facilitate, or augment airport development, including the development of additional revenue from both aviation and nonaviation sources.

''(2) RESPONSE TO REQUEST FOR CERTAIN CONVEYANCES.—Within 4 months after receiving a request from the Secretary under paragraph (1), the head of the department, agency, or instrumentality shall—

''(A) decide whether the requested conveyance is consistent with the needs of the department, agency, or instrumentality;

''(B) notify the Secretary of the decision; and

''(C) make the requested conveyance if—

''(i) the requested conveyance is consistent with the needs of the department, agency, or instrumentality;

''(ii) the Attorney General approves the conveyance; and

''(iii) the conveyance can be made without cost to the United States Government.

''(3) REVERSION.—Except as provided in subsection (b), a conveyance under this subsection may only be made on the condition that the property interest conveyed reverts to the Government, at the option of the Secretary, to the extent it is not developed for an airport purpose or used consistently with the conveyance.''.

(b) RELEASE OF CERTAIN CONDITIONS.—Section 47125 is amended—

(1) by redesignating subsection (b) as subsection (c); and

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

''(b) RELEASE OF CERTAIN CONDITIONS.—The Secretary may grant a release from any term, condition, reservation, or restriction contained in any conveyance executed under this section, section 16 of the Federal Airport Act, section 23 of the Airport and Airway Development Act of 1970, or section 516 of the Airport and Airway Improvement Act of 1982, to facilitate the development of additional revenue from aeronautical and nonaeronautical sources if the Secretary—

''(1) determines that the property is no longer needed for aeronautical purposes;

''(2) determines that the property will be used solely to generate revenue for the public airport;

''(3) provides preliminary notice to the head of the department, agency, or instrumentality that conveyed the property interest at least 30 days before executing the release;

''(4) provides notice to the public of the requested release;

''(5) includes in the release a written justification for the release of the property; and

''(6) determines that release of the property will advance civil aviation in the United States.''.

(c) EFFECTIVE DATE.—Section 47125(b) of title 49, United States Code, as added by subsection (b) of this section, applies to property interests conveyed before, on, or after the date of enactment of this Act.

(d) IDITAROD AREA SCHOOL DISTRICT.—Notwithstanding any other provision of law (including section 47125 of title 49, United States Code, as amended by this section), the Administrator of the Federal Aviation Administration, or the Administrator of the General Services Administration, may convey to the Iditarod Area School District without reimbursement all right, title, and interest in 12 acres of property at Lake Minchumina, Alaska, identified by the Administrator of the Federal Aviation Administration, including the structures known as housing units 100 through 105 and as utility building 301.

On page 124, line 2, strike the closing quotation marks and the second period.

On page 124, line 19, strike ''subsection.'' and insert ''section.''.

On page 128, strike the matter appearing between lines 8 and 9 and insert the following:

''44516. Human factors program''.

On page 132, line 10, after ''project'' insert ''on the air operations area,''

On page 140, strike lines 16 through 21.

On page 143, between lines 18 and 19, insert the following:

SEC. 520. IMPROVEMENTS TO AIR NAVIGATION FACILITIES.

Section 44502(a) is amended by adding at the end thereof the following:

''(5) The Administrator may improve real property leased for air navigation facilities without regard to the costs of the improvements in relation to the cost of the lease if—

''(A) the improvements primarily benefit the government;

''(B) are essential for mission accomplishment; and

''(C) the government's interest in the improvements is protected.''.

SEC. 521. DENIAL OF AIRPORT ACCESS TO CERTAIN AIR CARRIERS.

(a) IN GENERAL.—Section 47107 is amended by adding at the end thereof the following:

''(q) DENIAL OF ACCESS.—

''(1) EFFECT OF DENIAL.—If an owner or operator of an airport described in paragraph (2) denies access to an air carrier described in paragraph (3), that denial shall not be considered to be unreasonable or unjust discrimination or a violation of this section.

''(b) AIRPORTS TO WHICH SUBSECTION APPLIES.—An airport is described in this paragraph if it—

''(A) is designated as a reliever airport by the Administrator of the Federal Aviation Administration;

''(B) does not have an operating certificate issued under part 139 of title 14, Code of Federal Regulations (or any subsequent similar regulations); and

''(C) is located within a 35-mile radius of an airport that has—

''(i) at least 0.05 percent of the total annual boardings in the United States; and

''(ii) current gate capacity to handle the demands of a public charter operation.

''(3) AIR CARRIERS DESCRIBED.—An air carrier is described in this paragraph if it conducts operations as a public charter under part 380 of title 14, Code of Federal Regulations (or any subsequent similar regulations) with aircraft that is designed to carry more than 9 passengers per flight.

''(4) DEFINITIONS.—In this subsection:

''(A) AIR CARRIER; AIR TRANSPORTATION; AIRCRAFT; AIRPORT.—The terms 'air carrier', 'air transportation', 'aircraft', and 'airport' have the meanings given those terms in section 40102 of this title.

''(B) PUBLIC CHARTER.—The term 'public charter' means charter air transportation for which the general public is provided in advance a schedule containing the departure location, departure time, and arrival location of the flights.''.

SEC. 522. TOURISM.

(a) FINDINGS.—Congress finds that—

(1) through an effective public-private partnership, Federal, State, and local governments and the travel and tourism industry can successfully market the United States as the premiere international tourist destination in the world;

(2) in 1997, the travel and tourism industry made a substantial contribution to the health of the Nation's economy, as follows:

(A) The industry is one of the Nation's largest employers, directly employing 7,000,000 Americans, throughout every region of the country, heavily concentrated among small businesses, and indirectly employing an additional 9,200,000 Americans, for a total of 16,200,000 jobs.

(B) The industry ranks as the first, second, or third largest employer in 32 States and the District of Columbia, generating a total tourism-related annual payroll of $127,900,000,000.

(C) The industry has become the Nation's third-largest retail sales industry, generating a total of $489,000,000,000 in total expenditures.

(D) The industry generated $71,700,000,000 in tax revenues for Federal, State, and local governments;

(3) the more than $98,000,000,000 spent by foreign visitors in the United States in 1997 generated a trade services surplus of more than $26,000,000,000;

(4) the private sector, States, and cities currently spend more than $1,000,000,000 annually to promote particular destinations within the United States to international visitors;

(5) because other nations are spending hundreds of millions of dollars annually to promote the visits of international tourists to their countries, the United States will miss a major marketing opportunity if it fails to aggressively compete for an increased share of international tourism expenditures as they continue to increase over the next decade;

(6) a well-funded, well-coordinated international marketing effort—combined with additional public and private sector efforts—would help small and large businesses, as well as State and local governments, share in the anticipated phenomenal growth of the international travel and tourism market in the 21st century;

(7) by making permanent the successful visa waiver pilot program, Congress can facilitate the increased flow of international visitors to the United States;

(8) Congress can increase the opportunities for attracting international visitors and enhancing their stay in the United States by—

(A) improving international signage at airports, seaports, land border crossings, highways, and bus, train, and other public transit stations in the United States;

(B) increasing the availability of multilingual tourist information; and

(C) creating a toll-free, private-sector operated, telephone number, staffed by multilingual operators, to provide assistance to international tourist coping with an emergency;

(9) by establishing a satellite system of accounting for travel and tourism, the Secretary of Commerce could provide Congress and the President with objective, thorough data that would help policy-makers more accurately gauge the size and scope of the domestic travel and tourism industry and its significant impact on the health of the Nation's economy; and

(10) having established the United States National Tourism Organization under the United States National Tourism Organization Act of 1996 (22 U.S.C. 2141 et seq.) to increase the United States share of the international tourism market by developing a national travel and tourism strategy, Congress should support a long-term marketing effort and other important regulatory reform initiatives to promote increased travel to the United States for the benefit of every sector of the economy.

(b) PURPOSES.—The purposes of this section are to provide international visitor initiatives and an international marketing program to enable the United States travel and tourism industry and every level of government to benefit from a successful effort to make the United States the premiere travel destination in the world.

(c) INTERNATIONAL VISITOR ASSISTANCE TASK FORCE.—

(1) ESTABLISHMENT.—Not later than 9 months after the date of enactment of this Act, the Secretary of Commerce shall establish an Intergovernmental Task Force for International Visitor Assistance (hereafter in this subsection referred to as the ''Task Force'').

(2) DUTIES.—The Task Force shall examine—

(A) signage at facilities in the United States, including airports, seaports, land border crossings, highways, and bus, train, and other public transit stations, and shall identify existing inadequacies and suggest solutions for such inadequacies, such as the adoption of uniform standards on international signage for use throughout the United States in order to facilitate international visitors' travel in the United States;

(B) the availability of multilingual travel and tourism information and means of disseminating, at no or minimal cost to the Government, of such information; and

(C) facilitating the establishment of a toll-free, private-sector operated, telephone number, staffed by multilingual operators, to provide assistance to international tourists coping with an emergency.

(3) MEMBERSHIP.—The Task Force shall be composed of the following members:

(A) The Secretary of Commerce.

(B) The Secretary of State.

(C) The Secretary of Transportation.

(D) The Chair of the Board of Directors of the United States National Tourism Organization.

(E) Such other representatives of other Federal agencies and private-sector entities as may be determined to be appropriate to the mission of the Task Force by the Chairman.

(4) CHAIRMAN.—The Secretary of Commerce shall be Chairman of the Task Force. The Task Force shall meet at least twice each year. Each member of the Task Force shall furnish necessary assistance to the Task Force.

(5) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Chairman of the Task Force shall submit to the President and to Congress a report on the results of the review, including proposed amendments to existing laws or regulations as may be appropriate to implement such recommendations.

(d) TRAVEL AND TOURISM INDUSTRY SATELLITE SYSTEM OF ACCOUNTING.—

(1) IN GENERAL.—The Secretary of Commerce shall complete, as soon as may be practicable, a satellite system of accounting for the travel and tourism industry.

(2) FUNDING.—To the extent any costs or expenditures are incurred under this subsection, they shall be covered to the extent funds are available to the Department of Commerce for such purpose.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) AUTHORIZATION.—Subject to paragraph (2), there are authorized to be appropriated such sums as may be necessary for the purpose of funding international promotional activities by the United States National Tourism Organization to help brand, position, and promote the United States as the premiere travel and tourism destination in the world.

(2) RESTRICTIONS ON USE OF FUNDS.—None of the funds appropriated under paragraph (1) may be used for purposes other than marketing, research, outreach, or any other activity designed to promote the United States as the premiere travel and tourism destination in the world, except that the general and administrative expenses of operating the United States National Tourism Organization shall be borne by the private sector through such means as the Board of Directors of the Organization shall determine.

(3) REPORT TO CONGRESS.—Not later than March 30 of each year in which funds are made available under subsection (a), the Secretary shall submit to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a detailed report setting forth—

(A) the manner in which appropriated funds were expanded;

(B) changes in the United States market share of international tourism in general and as measured against specific countries and regions;

(C) an analysis of the impact of international tourism on the United States economy, including, as specifically as practicable, an analysis of the impact of expenditures made pursuant to this section;

(D) an analysis of the impact of international tourism on the United States trade balance and, as specifically as practicable, analysis of the impact on the trade balance of expenditures made pursuant to this section; and

(E) an analysis of other relevant economic impacts as a result of expenditures made pursuant to this section.

SEC. 523. EQUIVALENCY OF FAA AND EU SAFETY STANDARDS

The Administrator of the Federal Aviation Administration shall determine whether the Administration's safety regulations are equivalent to the safety standards set forth in European Union Directive 89/336EEC. If the Administrator determines that the standards are equivalent, the Administrator shall work with the Secretary of Commerce to gain acceptance of that determination pursuant to the Mutual Recognition Agreement between the United States and the European Union of May 18, 1998, in order to ensure that aviation products approved by the Administration are acceptable under that Directive.

SEC. 524. SENSE OF THE SENATE ON PROPERTY TAXES ON PUBLIC-USE AIRPORTS,

It is the sense of the Senate that—

(1) property taxes on public-use airports should be assessed fairly and equitably, regardless of the location of the owner of the airport; and

(2) the property tax recently assessed on the City of The Dalles, Oregon, as the owner and operator of the Columbia Gorge Regional/The Dalles Municipal Airport, located in the State of Washington, should be repealed.

SEC. 525. FEDERAL AVIATION ADMINISTRATION PERSONNEL MANAGEMENT SYSTEM.

(a) APPLICABILITY OF MERIT SYSTEMS PROTECTION BOARD PROVISIONS.—Section 347(b) of the Department of Transportation and Related Agencies Appropriations Act, 1996 (109 Stat. 460) is amended—

(1) by striking ''and'' at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting a semicolon and ''and''; and

(3) by adding at the end thereof the following:

''(8) sections 1204, 1211–1218, 1221, and 7701–7703, relating to the Merit Systems Protection Board.''.

(b) APPEALS TO MERIT SYSTEMS PROTECTION BOARD.—Section 347(c) of the Department of Transportation and Related Agencies Appropriations Act, 1996 is amended to read as follows:

''(c) APPEALS TO MERIT SYSTEM PROTECTION BOARD.—Under the new personnel management system developed and implemented under subsection (a), an employee of the Federal Aviation Administration may submit an appeal to the Merit Systems Protection Board and may seek judicial review of any resulting final orders or decisions of the Board from any action that was appealable to the Board under any law, rule, or regulation as of March 31, 1996.''.

SEC 526. AIRCRAFT AND AVIATION COMPONENT REPAIR AND MAINTENANCE ADVISORY PANEL.

(a) ESTABLISHMENT OF PANEL.—The Administrator of the Federal Aviation Administration—

(1) shall establish an Aircraft Repair and Maintenance Advisory Panel to review issues related to the use and oversight of aircraft and aviation component repair and maintenance facilities located within, or outside of, the United States; and

(2) may seek the advice of the panel on any issue related to methods to improve the safety of domestic or foreign contract aircraft and aviation component repair facilities.

(b) MEMBERSHIP.—The panel shall consist of—

(1) 8 members, appointed by the Administrator as follows:

(A) 3 representatives of labor organizations representing aviation mechanics;

(B) 1 representative of cargo air carriers;

(C) 1 representative of passenger air carriers;

(D) 1 representative of aircraft and aviation component repair stations;

(E) 1 representative of aircraft manufacturers; and

(F) 1 representative of the aviation industry not described in the preceding subparagraphs;

(2) 1 representative from the Department of Transportation, designated by the Secretary of Transportation;

(3) 1 representative from the Department of State, designated by the Secretary of State; and

(4) 1 representative from the Federal Aviation Administration, designated by the Administrator.

(c) RESPONSIBILITIES.—The panel shall—

(1) determine how much aircraft and aviation component repair work and what type of aircraft and aviation component repair work is being performed by aircraft and aviation component repair stations located within, and outside of, the United States to better understand and analyze methods to improve the safety and oversight of such facilities; and

(2) provide advice and counsel to the Administrator with respect to aircraft and aviation component repair work performed by those stations, staffing needs, and any safety issues associated with that work.

(d) FAA TO REQUEST INFORMATION FROM FOREIGN AIRCRAFT REPAIR STATIONS.—

(1) COLLECTION OF INFORMATION.—The Administrator shall by regulation request aircraft and aviation component repair stations located outside the United States to submit such information as the Administrator may require in order to assess safety issues and enforcement actions with respect to the work performed at those stations on aircraft used by United States air carriers.

(2) DRUG AND ALCOHOL TESTING INFORMATION.—Included in the information the Administrator requests under paragraph (1) shall be information on the existence and administration of employee drug and alcohol testing programs in place at such stations, if applicable.

(3) DESCRIPTION OF WORK DONE.—Included in the information the Administrator requests under paragraph (1) shall be information on the amount and type of aircraft and aviation component repair work performed at those stations on aircraft registered in the United States.

(e) FAA TO REQUEST INFORMATION ABOUT DOMESTIC AIRCRAFT REPAIR STATIONS.—If the Administrator determines that information on the volume of the use of domestic aircraft and aviation component repair stations is needed in order better to utilize Federal Aviation Administration resources, the Administrator may—

(1) require United States air carriers to submit the information described in subsection (d) with respect to their use of contract and non-contract aircraft and aviation component repair facilities located in the United States; and

(2) obtain information from such stations about work performed for foreign air carriers.

(f) FAA TO MAKE INFORMATION AVAILABLE TO PUBLIC.—The Administrator shall make any information received under subsection (d) or (e) available to the public.

(g) TERMINATION.—The panel established under subsection (a) shall terminate on the earlier of—

(1) the date that is 2 years after the date of enactment of this Act; or

(2) December 31, 2000.

(h) ANNUAL REPORT TO CONGRESS.—The Administrator shall report annually to the Congress on the number and location of air agency certificates that were revoked, suspended, or not renewed during the preceding year.

(i) DEFINITIONS.—Any term used in this section that is defined in subtitle VII of title 49, United States Code, has the meaning given that term in that subtitle.

SEC. 527. REPORT ON ENHANCED DOMESTIC AIRLINE COMPETITION.

(a) FINDINGS.—The Congress makes the following findings:

(1) There has been a reduction in the level of competition in the domestic airline business brought about by mergers, consolidations, and proposed domestic alliances.

(2) Foreign citizens and foreign air carriers may be willing to invest in existing or start-up airlines if they are permitted to acquire a larger equity share of a United States airline.

(b) STUDY.—the Secretary of Transportation, after consulting the appropriate Federal agencies, shall study and report to the Congress not later than December 31, 1998, on the desirability and implications of—

(1) decreasing the foreign ownership provisions in section 40102(a)(15) of title 49, United States Code, to 51 percent from 75 percent; and

(2) changing the definition of air carrier in section 40102(a)(2) of such title by substituting ''a company whose principal place of business is in the United States'' for ''a citizen of the United States''.

SEC. 528. AIRCRAFT SITUATIONAL DISPLAY DATA.

(a) IN GENERAL.—A memorandum of agreement between the Administrator of the Federal Aviation Administration and any person that obtains aircraft situational display data from the Administration shall require that—

(1) the person demonstrate to the satisfaction of the Administrator that such person is capable of selectively blocking aircraft registration numbers of any aircraft; and

(2) the person agree to block selectively the aircraft registration numbers of any aircraft owner or operator upon that owner or operator's request within 30 days after receiving the request.

(b) TERMINATION FOR NONCOMPLIANCE.—If any person obtaining such data under such a memorandum of agreement fails to block such numbers within 30 days after receiving a request described in subsection (a)(2), then the memorandum of agreement will terminate immediately.

(c) EXISTING MEMORANDA TO BE CONFORMED.—the Administrator shall conform any memoranda of agreement, in effect on the date of enactment of this Act, between the Administration and a person under which that person obtains such data to incorporate the requirements of subsection (a) within 30 days after that date.

On page 146, line 13, insert ''of chapter 417'' after ''Subchapter II''.

On page 157, strike lines 14 through 23, and insert the following:

To carry out sections 41743 through 41746 of title 49, United States Code, for the 4 fiscal-year period beginning with fiscal year 1999—

(1) there are authorized to be appropriated to the Secretary of Transportation not more than $10,000,000; and

(2) not more than $20,000,000 shall be made available, if available, to the Secretary for obligation and expenditure out of the account established under section 45303(a) of title 49, United States Code.

To the extent that amounts are not available in such account, there are authorized to be appropriated such sums as may be necessary to provide the amount authorized to be obligated under paragraph (2) to carry out those sections for that 4 fiscal-year period.

On page 157, between lines 12 and 13, insert the following:

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out section 41747 of title 49, United States Code.

On page 159, beginning with line 3, strike through line 22 on page 167 and insert the following:

SEC. 606. SLOT EXEMPTIONS FOR NONSTOP REGIONAL JET SERVICE.

(a) IN GENERAL.—Subchapter I of chapter 417 is amended by—

(1) redesignating section 41715 as 41716; and

(2) inserting after section 41714 the following:

''§ 41715. Slot exemption for nonstop regional jet service.

''(a) IN GENERAL.—Within 90 days after receiving an application for an exemption to provide nonstop regional jet air service between—

''(1) an airport that is smaller than a large hub airport (as defined in section 47134(d)(2)); and

''(2) a high density airport subject to the exemption authority under section 41714(a), the Secretary of Transportation shall grant or deny the exemption in accordance with established principles of safety and the promotion of competition.

''(b) EXISTING SLOTS TAKEN INTO ACCOUNT.—In deciding to grant or deny an exemption under subsection (a), the Secretary may take into consideration the slots and slot exemptions already used by the applicant.

''(c) CONDITIONS.—The Secretary may grant an exemption to an air carrier under subsection (a)—

''(1) for a period of not less than 12 months;

''(2) for a minimum of 2 daily roundtrip flights; and

''(3) for a maximum of 3 daily roundtrip flights.

''(d) CHANGE OF NONHUB, SMALL HUB, OR MEDIUM HUB AIRPORT; JET AIRCRAFT.—The Secretary may, upon application made by an air carrier operating under an exemption granted under subsection (a)—

''(1) authorize the air carrier or an affiliated air carrier to upgrade service under the exemption to a larger jet aircraft; or

''(2) authorize an air carrier operating under such an exemption to change the nonhub airport or small hub airport for which the exemption was granted to provide the same service to a different airport that is smaller than a large hub airport (as defined in section 47134(d)(2)) if—

''(A) the air carrier has been operating under the exemption for a period of not less than 12 months; and

''(B) the air carrier can demonstrate unmitigatable losses.

''(e) FORFEITURE FOR MISUSE.—Any exemption granted under subsection (a) shall be

terminated immediately by the Secretary if the air carrier to which it was granted uses the slot for any purpose other than the purpose for which it was granted or in violation of the conditions under which it was granted.

''(f) RESTORATION OF AIR SERVICE.—To the extent that—

''(1) slots were withdrawn from an air carrier under section 41714(b);

''(2) the withdrawal of slots under that section resulted in a net loss of slots; and

''(3) the net loss of slots and slot exemptions resulting from the withdrawal had an adverse effect on service to nonhub airports and in other domestic markets,

the Secretary shall give priority consideration to the request of any air carrier from which slots were withdrawn under that section for an equivalent number of slots at the airport where the slots were withdrawn. No priority consideration shall be given under this subsection to an air carrier described in paragraph (1) when the net loss of slots and slot exemptions is eliminated.

''(g) PRIORITY TO NEW ENTRANTS AND LIMITED INCUMBENT CARRIERS.—

''(1) IN GENERAL.—In granting slot exemptions under this section the Secretary shall, in conjunction with subsection (f), give priority consideration to an application from an air carrier that, as of July 1, 1998, operated or held fewer than 20 slots or slot exemptions at the high density airport for which it filed an exemption application.

''(2) LIMITATION.—No priority may be given under paragraph (1) to an air carrier that, at the time of application, operates or holds 20 or more slots and slot exemptions at the airport for which the exemption application is filed.

''(3) AFFILIATED CARRIERS.—The Secretary shall treat all commuter air carriers that have cooperative agreements, including code-share agreements, with other air carriers equally for determining eligibility for exemptions under this section regardless of the form of the corporate relationship between the commuter air carrier and the other air carrier.

''(h) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

''(i) REGIONAL JET DEFINED.—In this section—

''(1) REGIONAL JET.—The term 'regional jet' means a passenger, turbofan-powered aircraft carrying not fewer than 30 and not more than 50 passengers.

''(2) OTHER TERMS.—Any term used in this section that is defined in section 41762 has the meaning given that term by section 41762.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 40102 is amended by inserting after paragraph (28) the following: ''(28A) LIMITED INCUMBENT AIR CARRIER.—The term 'limited incumbent air carrier' has the meaning given that term in subpart S of part 93 of title 14, Code of Federal Regulations, except that '20' shall be substituted for '12' in sections 93.213(a)(5), 93.223(c)(3), and 93.226(h) as such sections were in effect on August 1, 1998.''.

(2) The chapter analysis for chapter 417 is amended by striking the item relating to section 41716 and inserting the following:

''41715. Slot exemptions for nonstop regional jet service.

''41716. Air service termination notice.''.

SEC. 607. EXEMPTIONS TO PERIMETER RULE AT RONALD REAGAN WASHINGTON NATIONAL AIRPORT.

(a) IN GENERAL.—Subchapter I of chapter 417, as amended by section 606, is amended by—

(1) redesignating section 41716 as 41717; and

(2) inserting after section 41715 the following:

''§ 41716. Special Rules for Ronald Reagan Washington National Airport

''(a) BEYOND-PERIMETER EXEMPTIONS.—In addition to any exemption granted under section 41714(d), the Secretary shall by order grant exemptions from the application of sections 49104(a)(5), 49109, 49111(e), and 41714 of this title to air carriers to operate limited frequencies and aircraft on select routes between Ronald Reagan Washington National Airport and domestic hub airports of such carriers and exemptions from the requirements of subparts K and S of part 93, Code of Federal Regulations, if the Secretary finds that the exemptions will—

''(1) provide air transportation service with domestic network benefits in areas beyond the perimeter described in that section; and

''(2) increase competition in multiple markets.

''(b) WITHIN-PERIMETER EXEMPTIONS.—In addition to any exemption granted under section 41714(d) or subsection (a) of this section, the Secretary shall by order grant exemptions from the requirements of sections 49104(a)(5), 49111(e), and 41714 of this title and subparts K and S of part 93 of title 14, Code of Federal Regulations, to commuter air carriers for service to airports smaller than large hub airports (as defined in section 47134(d)(2)) within the perimeter established for civil aircraft operations at Ronald Reagan Washington National Airport under section 49109. The Secretary shall develop criteria for distributing slot exemptions for flights within their perimeter to airports other than large hubs under this paragraph in a manner consistent with the promotion of air transportation.

''(c) LIMITATIONS.—

''(1) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

''(2) GENERAL EXEMPTIONS.—An exemption granted under subsection (a) may not—

''(A) increase the number of operations at Ronald Reagan Washington National Airport in any 1-hour period during the hours between 7:00 a.m. and 9:59 p.m. by more than 2 operations; or

''(B) result in the withdrawal or reduction of slots operated by an air carrier.

''(3) ADDITIONAL EXEMPTIONS.—The Secretary shall grant exemptions under subsections (a) and (b) that—

''(A) will result in 12 additional daily air carrier slot exemptions at such airport for long-haul service beyond the perimeter;

''(B) will result in 12 additional daily commuter slot exemptions at such airport; and

''(C) will not result in additional daily commuter slot exemptions for service to any within-the-perimeter airport that is not smaller than a large hub airport (as defined in section 47134(d)(2)).

''(4) REVIEW OF SAFETY, ENVIRONMENTAL, AND NOISE IMPACT.—The Secretary shall assess the impact of granting exemptions under subsections (a) and (b) on the environment (including noise levels) and safety during the first 90 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998. The environmental assessment shall be carried out in accordance with parts 1500–1508 of title 40, Code of Federal Regulations, including a public meeting.

''(5) APPLICABILITY WITH EXEMPTION 5133.—Nothing in this section affects Exemption No. 5133, as from time-to-time amended and extended.''.

(b) OVERRIDE OF MWAA RESTRICTION.—Section 49104(a)(5) is amended by adding at the end thereof the following:

''(D) Subparagraph (C) does not apply to any increase in the number of instrument flight rule takeoffs and landings necessary to implement exemptions granted by the Secretary under section 41716.''.

(c) MWAA NOISE-RELATED GRANT ASSURANCES.—

(1) IN GENERAL.—In addition to any condition for approval of an airport development project that is the subject of a grant application submitted to the Secretary of Transportation under chapter 471 of title 49, United States Code, by the Metropolitan Washington Airports Authority, the Authority shall be required to submit a written assurance that, for each such grant made to the Authority for fiscal year 1999 or any subsequent fiscal year—

(A) the Authority will make available for that fiscal year funds for noise compatibility planning and programs that are eligible to receive funding under chapter 471 of title 49, United States Code, in an amount not less than 10 percent of the aggregate annual amount of financial assistance provided to the Authority by the Secretary as grants under chapter 471 of title 49, United States Code; and

(B) the Authority will not divert funds from a high priority safety project in order to make funds available for noise compatibility planning and programs.

(2) WAIVER.—The Secretary of Transportation may waive the requirements of paragraph (1) for any fiscal year for which the Secretary determines that no additional noise mitigation is necessary at or around Ronald Reagan Washington National Airport.

(3) SUNSET.—This subsection shall cease to be in effect 5 years after the date of enactment of this Act.

(d) NOISE COMPATIBILITY PLANNING AND PROGRAMS.—Section 47117(e) is amended by adding at the end thereof the following:

''(3) In making grants under paragraph (1)(A), the Secretary shall give priority to applications for airport noise compatibility planning and programs at and around airports where operations increase under title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 and the amendments made by that title.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 49111 is amended by striking subsection(e).

(2) The chapter analysis for chapter 417, as amended by section 606(b) of this Act, is amended by striking the item relating to section 41716 and inserting the following:

''41716. Special Rules for Ronald Reagan Washington National Airport.

''41717. Air service termination notice.''.

(d) REPORT.—Within 1 year after the date of enactment of this Act, and biannually thereafter, the Secretary shall certify to the United States Senate Committee on Commerce, Science, and Transportation, the United States House of Representatives Committee on Transportation and Infrastructure, the Governments of Maryland, Virginia, and West Virginia and the Washington D.C. Council of Governments that noise standards, air traffic congestion, airport-related vehicular congestion, safety standards, and adequate air service to communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code, have been maintained at appropriate levels.

SEC. 608. ADDITIONAL SLOT EXEMPTIONS AT CHICAGO O'HARE INTERNATIONAL AIRPORT.

(a) IN GENERAL.—Chapter 417, as amended by section 607, is amended by—

(1) redesignating section 41717 as 41718; and

(2) inserting after section 41716 the following:

''§ 41717. Special Rules for Chicago O'Hare International Airport

''(a) IN GENERAL.—The Secretary of Transportation shall grant 30 slot exemptions over a 3-year period beginning on the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 at Chicago O'Hare International Airport.

''(b) EQUIPMENT AND SERVICE REQUIREMENTS.—

''(1) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

''(2) SERVICE PROVIDED.—Of the exemptions granted under subsection (a)—

''(A) 18 shall be used only for service to underserved markets, of which no fewer than 6 shall be designated as commuter slot exemptions; and

''(B) 12 shall be air carrier slot exemptions.

''(c) PROCEDURAL REQUIREMENTS.—Before granting additional exemptions under subsection (a), the Secretary shall—

''(1) conduct an environmental review, taking noise into account, and determine that the granting of the additional exemptions will not cause a significant increase in noise;

''(2) determine whether capacity is available and can be used safely and, if the Secretary so determines then so certify;

''(3) give 30 days notice to the public through publication in the Federal Register of the Secretary's intent to grant the additional exemptions; and

''(4) consult with appropriate officers of the State and local government on any related noise and environmental issues.

''(d) UNDERSERVED MARKET DEFINED.—In this section, the term 'service to underserved markets' means passenger air transportation service to an airport that is a nonhub airport or a small hub airport (as defined in paragraphs (4) and (5), respectively, of section 41731(a)).''.

(b) STUDIES.—

(1) 3-YEAR REPORT.—The Secretary shall study and submit a report 3 years after the first exemption granted under section 41717(a) of title 49, United States Code, is first used on the impact of the additional slots on the safety, environment, noise, access to underserved markets, and competition at Chicago O'Hare International Airport.

(2) DOT STUDY IN 2000.—The Secretary of Transportation shall study community noise levels in the areas surrounding the 4 high-density airports after the 100 percent Stage 3 fleet requirements are in place, and compare those levels with the levels in such areas before 1991.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 417, as amended by section 607(b) of this Act, is amended by striking the item relating to section 41717 and inserting the following:

''41717. Special Rules for Chicago O'Hare International Airport.
''41718. Air service termination notice.''.

On page 168, line 7, strike ''417'' and insert ''417, as amended by section 608,''.

On page 168, line 9, strike ''**41716.**'' and insert ''**41719.**''

On page 173, line 1, strike ''**RURAL**''.

On page 173, strike lines 3 through 14 and insert the following:

The General Accounting Office shall conduct a study of the current state of the national airport network and its ability to meet the air transportation needs of the United States over the next 15 years. The study shall include airports located in remote communities and reliever airports. In assessing the effectiveness of the system the Comptroller General may consider airport runway length of 5,500 feet or the equivalent altitude-adjusted length, air traffic control facilities, and navigational aids.

On page 189, line 2, strike ''40125'' and insert ''40126''.

On page 189, line 9, strike ''40125'' and insert ''40126''.

On page 189, between lines 11 and 12, insert the following:

(3) COMPLIANCE WITH OTHER REGULATIONS.—For purposes of section 40126 of title 49, United States Code—

(A) regulations issued by the Secretary of Transportation and the Administrator of the Federal Aviation Administration under section 3 of Public Law 100–91 (16 U.S.C. 1a–1, note); and

(B) commercial air tour operations carried out in compliance with the requirements of those regulations,

shall be deemed to meet the requirements of such section 40126.

On page 191, strike lines 1 through 5 and insert the following:

''(2) on the designation of appropriate and feasible quiet aircraft technology standards for quiet aircraft technologies under development for commercial purposes, which will receive preferential treatment in a given air tour management plan;

On page 192, after line 22, insert the following:

SEC. 705. PROHIBITION OF COMMERCIAL AIR TOURS OVER THE ROCKY MOUNTAIN NATIONAL PARK.

Effective beginning on the date of enactment of this Act, no commercial air tour may be operated in the airspace over the Rocky Mountain National Park notwithstanding any other provision of this Act or section 40126 of title 49, United States Code, as added by this Act.

On page 193, strike lines 1 through 12 and insert the following:

TITLE VIII—CENTENNIAL OF FLIGHT COMMEMORATION

SEC. 801. SHORT TITLE.

This title may be cited as the ''Centennial of Flight Commemoration Act''

SEC. 802. FINDINGS.

Congress finds that—

(1) December 17, 2003, is the 100th anniversary of the first successful manned, free, controlled, and sustained flight by a power-driven, heavier-than-air machine;

(2) the first flight by Orville and Wilbur Wright represents the fulfillment of the age-old dream of flying;

(3) the airplane has dramatically changed the course of transportation, commerce, communication, and warfare throughout the world;

(4) the achievement by the Wright brothers stands as a triumph of American ingenuity, inventiveness, and diligence in developing new technologies, and remains an inspiration for all Americans;

(5) it is appropriate to remember and renew the legacy of the Wright brothers at a time when the values of creativity and daring represented by the Wright brothers are critical to the future of the Nation; and

(6) as the Nation approaches the 100th anniversary of powered flight, it is appropriate to celebrate and commemorate the centennial year through local, national, and international observances and activities.

SEC. 803. ESTABLISHMENT.

There is established a commission to be known as the Centennial of Flight Commission.

SEC. 804. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 6 members, as follows:

(1) The Director of the National Air and Space Museum of the Smithsonian Institute or his designee.

(2) The Administrator of the National Aeronautics and Space Administration or his designee.

(3) The chairman of the First Flight Centennial Foundation of North Carolina, or his designee.

(4) The chairman of the 2003 Committee of Ohio, or his designee.

(5) As chosen by the Commission, the president or head of a United States aeronautical society, foundation, or organization of national stature or prominence who will be a person from a State other than Ohio or North Carolina.

(6) The Administrator of the Federal Aviation Administration, or his designee.

(b) VACANCIES.—Any vacancy in the Commission shall be filled in the same manner in which the original designation was made.

(c) COMPENSATION.—

(1) PROHIBITION OF PAY.—Except as provided in paragraph (2), members of the Commission shall serve without pay or compensation.

(2) TRAVEL EXPENSES.—The Commission may adopt a policy, only by unanimous vote, for members of the Commission and related advisory panels to receive travel expenses, including per diem in lieu of subsistence. The policy may not exceed the levels established under sections 5702 and 5703 of title 5, United States Code. Members who are Federal employees shall not receive travel expenses if otherwise reimbursed by the Federal Government.

(d) QUORUM.—Three members of the Commission shall constitute a quorum.

(e) CHAIRPERSON.—The Commission shall select a Chairperson of the Commission from the members designated under subsection (a)(1), (2), or (5). The Chairperson may not vote on matters before the Commission except in the case of a tie vote. The Chairperson may be removed by a vote of a majority of the Commission's members.

(f) ORGANIZATION.—No later than 90 days after the date of enactment of this Act, the Commission shall meet and select a Chairperson, Vice Chairperson, and Executive Director.

SEC. 805. DUTIES.

(a) IN GENERAL.—The Commission shall—

(1) represent the United States and take a leadership role with other nations in recognizing the importance of aviation history in general and the centennial of powered flight in particular, and promote participation by the United States in such activities;

(2) encourage and promote national and international participation and sponsorships in commemoration of the centennial of powered flight by persons and entities such as—

(A) aerospace manufacturing companies;

(B) aerospace-related military organizations;

(C) workers employed in aerospace-related industries;

(D) commercial aviation companies;

(E) general aviation owners and pilots;

(F) aerospace researchers, instructors, and enthusiasts;

(G) elementary, secondary, and higher educational institutions;

(H) civil, patriotic, educational, sporting, arts, cultural, and historical organizations and technical societies;

(I) aerospace-related museums; and

(J) State and local governments;

(3) plan and develop, in coordination with the First Flight Centennial Commission, the First Flight Centennial Foundation of North Carolina, and the 2003 Committee of Ohio, programs and activities that are appropriate to commemorate the 100th anniversary of powered flight;

(4) maintain, publish, and distribute a calendar or register of national and international programs and projects concerning, and provide a central clearinghouse for, information and coordination regarding, dates, events, and places of historical and commemorative significance regarding aviation history in general and the centennial of powered flight in particular;

(5) provide national coordination for celebration dates to take place throughout the United States during the centennial year;

(6) assist in conducting educational, civic, and commemorative activities relating to the centennial of powered flight throughout the United States, especially activities that occur in the States of North Carolina and Ohio and that highlight the activities of the Wright brothers in such States; and

(7) encourage the publication of popular and scholarly works related to the history of aviation or the anniversary of the centennial of powered flight.

(b) NONDUPLICATION OF ACTIVITIES.—The Commission shall attempt to plan and conduct its activities in such a manner that activities conducted pursuant to this title enhance, but do not duplicate, traditional and established activities of Ohio's 2003 Committee, North Carolina's First Flight Centennial Commission, the First Flight Centennial Foundation, or any organization of national stature or prominence.

SEC. 806. POWERS.

(a) ADVISORY COMMITTEES AND TASK FORCES.—

(1) IN GENERAL.—The Commission may appoint any advisory committee or task force from among the membership of the Advisory Board in section 812.

(2) FEDERAL COOPERATION.—To ensure the overall success of the Commission's efforts, the Commission may call upon various Federal departments and agencies to assist in and give support to the programs of the Commission. The head of the Federal department or agency, where appropriate, shall furnish the information or assistance requested by the Commission, unless prohibited by law.

(3) PROHIBITION OF PAY OTHER THAN TRAVEL EXPENSES.—Members of an advisory committee or task force authorized under paragraph (1) shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 804(c)(2).

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action that the Commission is authorized to take under this title.

(c) AUTHORITY TO PROCURE AND TO MAKE LEGAL AGREEMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision in this title, only the Commission may procure supplies, services, and property, and make or enter into leases and other legal agreements in order to carry out this title.

(2) RESTRICTION.—

(A) IN GENERAL.—A contract, lease, or other legal agreement made or entered into by the Commission may not extend beyond the date of the termination of the Commission.

(B) FEDERAL SUPPORT.—The Commission shall obtain property, equipment, and office space from the General Services Administration or the Smithsonian Institution, unless other office space, property, or equipment is less costly.

(3) SUPPLIES AND PROPERTY POSSESSED BY COMMISSION AT TERMINATION.—Any supplies and property, except historically significant items, that are acquired by the Commission under this title and remain in the possession of the Commission on the date of the termination of the Commission shall become the property of the General Services Administration upon the date of termination.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as any other Federal agency.

SEC. 807. STAFF AND SUPPORT SERVICES.

(a) EXECUTIVE DIRECTOR.—There shall be an Executive Director appointed by the Commission and chosen from among detailees from the agencies and organizations represented on the Commission. The Executive Director may be paid at a rate not to exceed the maximum rate of basic pay payable for the Senior Executive Service.

(b) STAFF.—The Commission may appoint and fix the pay of any additional personnel that it considers appropriate, except that an individual appointed under this subsection may not receive pay in excess of the maximum rate of basic pay payable for GS–14 of the General Schedule.

(c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, except as provided under subsections (a) and (b) of this section.

(d) MERIT SYSTEM PRINCIPLES.—The appointment of the Executive Director or any personnel of the Commission under subsection (a) or (b) shall be made consistent with the merit system principles under section 2301 of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon request by the Chairperson of the Commission, the head of any Federal department or agency may detail, on either a nonreimbursable or reimbursable basis, any of the personnel of the department or agency to the Commission to assist the Commission to carry out its duties under this title.

(f) ADMINISTRATIVE SUPPORT SERVICES.—

(1) REIMBURSABLE SERVICES.—The Secretary of the Smithsonian Institution may provide to the Commission on a reimbursable basis any administrative support services that are necessary to enable the Commission to carry out this title.

(2) NONREIMBURSABLE SERVICES.—The Secretary may provide administrative support services to the Commission on a nonreimbursable basis when, in the opinion of the Secretary, the value of such services is insignificant or not practical to determine.

(g) COOPERATIVE AGREEMENTS.—The Commission may enter into cooperative agreements with other Federal agencies, State and local governments, and private interests and organizations that will contribute to public awareness of and interest in the centennial of powered flight and toward furthering the goals and purposes of this title.

(h) PROGRAM SUPPORT.—The Commission may receive program support from the nonprofit sector.

SEC. 808. CONTRIBUTIONS.

(a) DONATIONS.—The Commission may accept donations of personal services and historic materials relating to the implementation of its responsibilities under the provisions of this title.

(b) VOLUNTEER SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Commission may accept and use voluntary and uncompensated services as the Commission determines necessary.

(c) REMAINING FUNDS.—Any funds (including funds received from licensing royalties) remaining with the Commission on the date of the termination of the Commission may be used to ensure proper disposition, as specified in the final report required under section 810(b), of historically significant property which was donated to or acquired by the Commission. Any funds remaining after such disposition shall be transferred to the Secretary of the Treasury for deposit into the general fund of the Treasury of the United States.

SEC. 809. EXCLUSIVE RIGHT TO NAME, LOGOS, EMBLEMS, SEALS, AND MARKS.

(a) IN GENERAL.—The Commission may devise any logo, emblem, seal, or descriptive or designating mark that is required to carry out its duties or that it determines is appropriate for use in connection with the commemoration of the centennial of powered flight.

(b) LICENSING.—The Commission shall have the sole and exclusive right to use, or to allow or refuse the use of, the name ''Centennial of Flight Commission'' on any logo, emblem, seal, or descriptive or designating mark that the Commission lawfully adopts.

(c) EFFECT ON OTHER RIGHTS.—No provision of this section may be construed to conflict or interfere with established or vested rights.

(d) USE OF FUNDS.—Funds from licensing royalties received pursuant to this section shall be used by the Commission to carry out the duties of the Commission specified by this title.

(e) LICENSING RIGHTS.—All exclusive licensing rights, unless otherwise specified, shall revert to the Air and Space Museum of the Smithsonian Institution upon termination of the Commission.

SEC. 810. REPORTS.

(a) ANNUAL REPORT.—In each fiscal year in which the Commission is in existence, the Commission shall prepare and submit to Congress a report describing the activities of the Commission during the fiscal year. Each annual report shall also include—

(1) recommendations regarding appropriate activities to commemorate the centennial of powered flight, including—

(A) the production, publication, and distribution of books, pamphlets, films, and other educational materials;

(B) bibliographical and documentary projects and publications;

(C) conferences, convocations, lectures, seminars, and other similar programs;

(D) the development of exhibits for libraries, museums, and other appropriate institutions;

(E) ceremonies and celebrations commemorating specific events that relate to the history of aviation;

(F) programs focusing on the history of aviation and its benefits to the United States and humankind; and

(G) competitions, commissions, and awards regarding historical, scholarly, artistic, literary, musical, and other works, programs, and projects related to the centennial of powered flight;

(2) recommendations to appropriate agencies or advisory bodies regarding the issuance of commemorative coins, medals, and stamps by the United States relating to aviation or the centennial of powered flight;

(3) recommendations for any legislation or administrative action that the Commission determines to be appropriate regarding the commemoration of the centennial of powered flight;

(4) an accounting of funds received and expended by the Commission in the fiscal year that the report concerns, including a detailed description of the source and amount of any funds donated to the Commission in the fiscal year; and

(5) an accounting of any cooperative agreements and contract agreements entered into by the Commission.

(b) FINAL REPORT.—Not later than June 30, 2004, the Commission shall submit to the President and Congress a final report. The final report shall contain—

(1) a summary of the activities of the Commission;

(2) a final accounting of funds received and expended by the Commission;

(3) any findings and conclusions of the Commission; and

(4) specific recommendations concerning the final disposition of any historically significant items acquired by the Commission, including items donated to the Commission under section 808(a)(1).

SEC. 811. AUDIT OF FINANCIAL TRANSACTIONS.

(A) IN GENERAL.—

(1) AUDIT.—The Comptroller General of the United States shall audit on an annual basis the financial transactions of the Commission, including financial transactions involving donated funds, in accordance with generally accepted auditing standards.

(2) ACCESS.—In conducting an audit under this section, the Comptroller General—

(A) shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission, as necessary to facilitate the audit; and

(B) shall be afforded full facilities for verifying the financial transactions of the Commission, including access to any financial records or securities held for the Commission by depositories, fiscal agents, or custodians.

(b) FINAL REPORT.—Not later than September 30, 2004, the Comptroller General of the United States shall submit to the President and to Congress a report detailing the results of any audit of the financial transactions of the Commission conducted by the Comptroller General.

SEC. 812. ADVISORY BOARD.

(a) ESTABLISHMENT.—There is established a First Flight Centennial Federal Advisory Board.

(b) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Board shall be composed of 19 members as follows:

(A) The Secretary of the Interior, or the designee of the Secretary.

(B) The Librarian of Congress, or the designee of the Librarian.

(C) The Secretary of the Air Force, or the designee of the Secretary.

(D) The Secretary of the Navy, or the designee of the Secretary.

(E) The Secretary of Transportation, or the designee of the Secretary.

(F) Six citizens of the United States, appointed by the President, who—

(i) are not officers or employees of any government (except membership on the Board shall not be construed to apply to the limitation under this clause); and

(ii) shall be selected based on their experience in the fields of aerospace history, science, or education, or their ability to represent the entities enumerated under section 805(a)(2).

(G) Four citizens of the United States, appointed by the majority leader of the Senate in consultation with the minority leader of the Senate.

(H) Four citizens of the United States, appointed by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives. Of the individuals appointed under this subparagraph—

(i) one shall be selected from among individuals recommended by the representative whose district encompasses the Wright Brothers National Memorial; and

(ii) one shall be selected from among individuals recommended by the representatives whose districts encompass any part of the Dayton Heritage National Historical Park.

(c) VACANIES.—Any vacancy in the Advisory Board shall be filled in the same manner in which the original designation was made.

(d) MEETINGS.—Seven members of the Advisory Board shall constitute a quorum for a meeting. All meetings shall be open to the public.

(e) CHAIRPERSON.—The President shall designate 1 member appointed under subsection (b)(1)(F) as chairperson of the Advisory Board.

(f) MAILS.—The Advisory Board may use the United States mails in the same manner and under the same conditions as a Federal agency.

(g) DUTIES.—The Advisory Board shall advise the Commission on matters related to this title.

(h) PROHIBITION OF COMPENSATION OTHER THAN TRAVEL EXPENSES.—Members of the Advisory Board shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 804(e).

(i) TERMINATION.—The Advisory Board shall terminate upon the termination of the Commission.

SEC. 813. DEFINITIONS.

In this title:

(1) ADVISORY BOARD.—The term ''Advisory Board'' means the Centennial of Flight Federal Advisory Board.

(2) CENTENNIAL OF POWERED FLIGHT.—The term ''centennial of powered flight'' means the anniversary year, from December 2002 to December 2003, commemorating the 100-year history of aviation beginning with the First Flight and highlighting the achievements of the Wright brothers in developing the technologies which have led to the development of aviation as it is known today.

(3) COMMISSION.—The term ''Commission'' means the Centennial of Flight Commission.

(4) DESIGNEE.—The term ''designee'' means a person from the respective entity of each entity represented on the Commission or Advisory Board.

(5) FIRST FLIGHT.—The term ''First Flight'' means the first four successful manned, free, controlled, and sustained flights by a power-driven, heavier-than-air machine, which were accomplished by Orville and Wilbur Wright of Dayton, Ohio on December 17, 1903, at Kitty Hawk, North Carolina.

SEC. 814. TERMINATION.

The Commission shall terminate not later than 60 days after the submission of the final report required by section 810(b) and shall transfer all documents and material to the National Archives or other appropriate Federal entity.

SEC. 815. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title—

(1) $250,000 for fiscal year 1999;
(2) $600,000 for fiscal year 2000;
(3) $750,000 for fiscal year 2001;
(4) $900,000 for fiscal year 2002;
(5) $900,000 for fiscal year 2003; and
(6) $600,000 for fiscal year 2004.

○

COATS AMENDMENT NO. 3619

(Ordered to lie on the table.)

Mr. COATS submitted an amendment intended to be proposed by him to the bill, S. 2279, supra; as follows:

On page 164, line 7, strike ''commuter''.

On page 164, line 7, insert '', including commuter air carriers,'' after ''air carriers''.

On page 165, lines 4 and 5, strike ''daily commuter slots at such airport'' and insert ''daily slots at such airport, of which at least 6 shall be commuter slots''.

On page 165, lines 6 and 7, strike ''commuter slots'' and insert ''slots''.

INHOFE AMENDMENT NO. 3620

Mr. INHOFE proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. AMENDMENTS, MODIFICATIONS, SUSPENSIONS, AND REVOCATIONS OF CERTIFICATES.

Section 44709 of title 49, United States Code, is amended—

(1) in subsection (e)—

(A) by striking ''When'' and inserting ''(1) Except as provided in paragraph (2), if''; and

(B) by striking ''However, if'' and all that follows through the end of the subsection and inserting the following:

''(2) If the Administrator determines, in the order, that an emergency exists and safety in air commerce or air transportation requires the order to be effective immediately—

''(A) subject to subparagraph (B), the order shall be in effect unless the Administrator is not able to prove to the Board, upon an inquiry of the Board, the existence of an emergency that requires the immediate application of the order in the interest of safety in air commerce and air transportation; and

''(B) the Board shall—

''(i) not later than 5 days after the filing of an appeal under paragraph (1), make a disposition concerning the issues of the appeal that are related to the existence of an emergency referred to in subparagraph (A); and

''(ii) not later than 60 days after the filing of an appeal under paragraph (1), make a final disposition of the appeal.

''(3) If the Administrator determines, in the order, the existence of an emergency described in paragraph (2)(A), the appellant may request a hearing by the Board on the issues of the appeal that are related to the existence of the emergency. Such request shall be made not later than 48 hours after the issuance of the order. If an appellant requests a hearing under this paragraph, the Board shall hold the hearing not later than 48 hours after receiving that request.''; and

(2) in subsection (f), by inserting ''by further order'' after ''the Administrator decides''.

ROTH (AND MOYNIHAN) AMENDMENT NO. 3621

Mr. ROTH (for himself and Mr. MOYNIHAN) proposed an amendment to the bill, S. 2279, supra; as follows:

At the end of the bill add the following:

TITLE IV—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

SEC. 801. EXTENSION OF EXPENDITURE AUTHORITY.

(a) IN GENERAL.—Paragraph (1) of section 9502(d) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

(1) by striking ''October 1, 1998'' and inserting ''October 1, 2000''; and

(2) by inserting before the semicolon at the end of subparagraph (A) the following ''or the Wendell H. Ford National Air Transportation System Improvement Act of 1998''.

(b) LIMITATION ON EXPENDITURE AUTHORITY.—Section 9502 of such Code is amended by adding at the end the following new subsection:

''(f) LIMITATION ON TRANSFERS TO TRUST FUND.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no amount may be appropriated or credited to the Airport and Airway Trust Fund on and after the date of any

expenditure from the Airport and Airway Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

''(A) any provision of law which is not contained or referenced in this title or in a revenue Act; and

''(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this subsection.

''(2) EXCEPTION FOR PRIOR OBLIGATIONS.—Paragraph (1) shall not apply to any expenditure to liquidate any contract entered into (or for any amount otherwise obligated) before October 1, 2000, in accordance with the provisions of this section.''.

DeWINE AMENDMENT NO. 3622

(Ordered to lie on the table.)

Mr. DEWINE submitted an amendment intended to be proposed by him to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5. . TO EXPRESS THE SENSE OF THE SENATE CONCERNING A BILATERAL AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term ''air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(2) AIRCRAFT.—The term ''aircraft'' has the meaning given that term in section 40102 of title 49, United States Code.

(3) AIR TRANSPORTATION.—The term ''air transportation'' has the meaning given that term in section 40102 of title 49, United States Code.

(4) BERMUDA II AGREEMENT.—The term ''Bermuda II Agreement'' means the Agreement Between the United States of America and United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed at Bermuda on July 23, 1977 (TIAS 8641).

(5) CLEVELAND-LONDON (GATWICK) ROUTE.—The term ''Cleveland-London (Gatwick) route'' means the route between Cleveland, Ohio, and the Gatwick Airport in London, England.

(6) FOREIGN AIR CARRIER.—The term ''foreign air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(8) SLOT.—The term ''slot'' means a reservation for an instrument flight rule takeoff or landing by an air carrier of an aircraft in air transportation.

(b) FINDINGS.—Congress finds that—

(1) under the Bermuda II Agreement, the United States has a right to designate an air carrier of the United States to serve the Cleveland-London (Gatwick) route;

(2)(A) on December 3, 1996, the Secretary awarded the Cleveland-London (Gatwick) route to Continental Airlines;

(B) on June 15, 1998, Continental Airlines announced plans to launch nonstop service on that route on February 19, 1999, and to provide single-carrier one-stop service between London, England (from Gatwick Airport) and dozens of cities in Ohio and the surrounding region; and

(C) on August 4, 1998, the Secretary renewed the authority of Continental Airlines to carry out the nonstop service referred to in subparagraph (B) and selected Cleveland, Ohio, as a new gateway under the Bermuda II Agreement;

(3) unless the Government of the United Kingdom provides Continental Airlines commercially viable access to Gatwick Airport, Continental Airlines will not be able to initiate service on the Cleveland-London (Gatwick) route; and

(4) Continental Airlines is prepared to initiate competitive air service on the Cleveland-London (Gatwick) route when the Government of the United Kingdom provides commercially viable access to the Gatwick Airport.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary should—

(1) act vigorously to ensure the enforcement of the rights of the United States under the Bermuda II Agreement;

(2) intensify efforts to obtain the necessary assurances from the Government of the United Kingdom to allow an air carrier of the United States to operate commercially viable, competitive service for the Cleveland-London (Gatwick) route; and

(3) ensure that the rights of the Government of the United States and citizens and air carriers of the United States are enforced under the Bermuda II Agreement before seeking to renegotiate a broader bilateral agreement to establish additional rights for air carriers of the United States and foreign air carriers of the United Kingdom, including the right to commercially viable competitive slots at Gatwick Airport and Heathrow Airport in London, England, for air carriers of the United States.

SNOWE AMENDMENTS NOS. 3623–3625

Mr. MCCAIN (for Ms. SNOWE) proposed three amendments to the bill, S. 2279, supra; as follows:

AMENDMENT NO. 3623

On page 121, line 1, strike ''**INTERNATIONAL**''.

On page 121, line 3, before ''The'' insert ''(a) ESTABLISHMENT OF HIGHER INTERNATIONAL STANDARDS.—''.

On page 121, between lines 9 and 10, insert the following:

(b) INCREASED CIVIL PENALTIES.—Section 46301(a) is amended by—

(1) inserting ''41705,'' after 1142704,'' in paragraph (1)(A); and

(2) adding at the end thereof the following:

''(7) Unless an air carrier that violates section 41705 with respect to an individual provides that individual a credit or voucher for the purchase of a ticket on that air carrier or any affiliated air carrier in an amount (determined by the Secretary) of—

''(A) not less than $500 and not more than $2,500 for the first violation; or

''(B) not less than $2,500 and not more than $5,000 for any subsequent violation, that air carrier is liable to the United States Government for a civil penalty, determined by the Secretary, of not more than 100 percent of the amount of the credit or voucher so determined. For purposes of this paragraph, each act of discrimination prohibited by section 41705 constitutes a separate violation of that section.''.

On page 89, strike the item relating to section 507 and insert the following:

Sec. 507. Higher standards for handicapped access.

AMENDMENT NO. 3624

At the appropriate place, insert the following new section:

SEC. . AUTOMATED SURFACE OBSERVATION SYSTEM STATIONS.

The Administrator of the Federal Aviation Administration shall not terminate human weather observers for Automated Surface Observation System stations until—

(1) the Secretary of Transportation determines that the System provides consistent reporting of changing meteorological conditions and notifies the Congress in writing of that determination; and

(2) 60 days have passed since the report was submitted to the Congress.

AMENDMENT NO. 3625

On page 147, line 4, after ''program.'' insert the following: ''For purposes of this subsection, the application of geographic diversity criteria means criteria that—

''(1) will promote the development of a national air transportation system; and

''(2) will involve the participation of communities in all regions of the country.''.

McCAIN (AND FORD) AMENDMENT NO. 3626

Mr. MCCAIN (for himself and Mr. FORD) proposed an amendment to the bill, S. 2279, supra; as follows:

On page 48 of the managers' amendment, strike ''additional'' in line 12, line 16, and line 23.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on Wednesday, September 23, 1998 at 2:00 p.m. in SR–328A. The purpose of this meeting will be to examine forestry issues.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a full committee hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, October 1, 1998 at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to consider the nominations of Eljay B. Bowron to be Inspector General of the Department of the Interior; Rose Eilene Gottemoeller to be an Assistant Secretary of Energy for Non-Proliferation and National Security; and David Michaels to be an Assistant Secretary of Energy for Environment, Safety and Health.

For further information, please contact Gary Ellsworth of the Committee staff at (202) 224–7141.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Wednesday, September 23, 1998. The purpose of this meeting will be to examine forestry issues.

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

COMMITTEE ON ARMED SERVICES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to

meet on Wednesday, September 23, 1998, at 10:00 a.m. in closed session, to receive testimony on North Korea's Ballistic Missile and Weapons of Mass Destruction programs.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, September 23, 1998, to conduct a hearing of the following nominees: John D. Hawke, Jr., of Washington, DC, to be the Comptroller of the Currency; William C. Apgar, Jr., of Massachusetts, to be the Assistant Secretary of Housing and Urban Development for Housing, and Federal Housing Administrator; Saul N. Ramirez, Jr., of Texas, to be the Deputy Secretary of Housing and Urban Development; Cardell Cooper, of New Jersey, to be the Assistant Secretary of Housing and Urban Development for Community Planning & Development; and Harold Lucas, of New Jersey, to be the Assistant Secretary of Housing and Urban Development for Public & Indian Housing.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, September 23, for purposes of conducting a Full Committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this business meeting is to consider pending calendar business.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet to consider pending business Wednesday, September 23, 1998, 9:30 a.m., Hearing Room (SD–406).

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

COMMITTEE ON FOREIGN RELATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, September 23, 1998 at 1:30 am to hold a hearing.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent on behalf of the Government Affairs Committee to meet on Wednesday, September 23, 1998, at 10:00 a.m. for a hearing on computer security studies performed at the Department of Veterans Affairs and the Social Security Administration.

COMMITTEE ON INDIAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, September 23, 1998 at 9:00 am to conduct a hearing on Title V and Title VI of H.R. 1833, to amend the Indian Self-Determination and Education Assistance Act to provide for further Self-Governance by Indian tribes. The hearing will be held in room 562 of the Dirksen Senate Office Building.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet in executive session during the session of the Senate on Wednesday, September 23, 1998, at 9:30 a.m.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, September 23, 1998 at 2:30 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON COMMUNICATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, September 23, 1998, at 9:30 a.m. on internet privacy.

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

SUBCOMMITTEE ON CONSTITUTION, FEDERALISM, AND PROPERTY RIGHTS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Constitution, Federalism, and Property Rights, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Wednesday, September 23, 1998 to hold a hearing, at 2:00 p.m. in room SD–222 of the Senate Dirksen Office Building on: ''Whose Right to Keep and Bear Arms? The Second Amendment as a Source of Individual Rights.''

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

SUBCOMMITTEE ON SCIENCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Science, subcommittee of the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, September 23, 1998, at 2:00 p.m. on us Commercial Space Launch Industry.

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

SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Transportation and Infrastructure be granted permission to conduct a hearing on the Patent and Trademark Office consolidation, Wednesday, September 23, 4:00 p.m., Hearing Room (SD–406).

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

ADDITIONAL STATEMENTS

PROSTATE CANCER RESEARCH FUNDING

• Mr. REID. Mr. President, I rise today to call the attention of my colleagues to a subject that many of us, especially men, do not like to discuss publicly—prostate cancer. However, as one of the most frequently diagnosed cancers in the country, prostate cancer is a subject that we cannot afford to ignore.

In my home state of Nevada, it is estimated that 1,100 men will be diagnosed with prostate cancer this year alone. Nationwide, 200,000 men will be diagnosed with prostate cancer in 1998. This deadly disease will take the lives of 40,000 American men this year alone. Prostate cancer kills as many Americans yearly as AIDS or breast cancer.

The increase in regular screenings for prostate cancer over the past few years is encouraging. Last year, I had the opportunity to participate in the Senate Special Committee on Aging's hearing on prostate cancer. Nevada's Governor Bob Miller, along with former Senate Majority Leader Bob Dole, NFL Hall of Famer Len Dawson and General Manager of the New York Yankees, Bob Watson all testified about their personal experiences with prostate cancer. These men shared a common message that was clear and urgent: get tested for prostate cancer as early as possible, because early detection increases survival rates tremendously.

While the importance of early detection through regular screenings cannot be overstated, we can and we must do more. In each of the last two fiscal years, Congress has appropriated $40 million for new, cutting-edge peer-reviewed research at the Department of Defense. In instituting the program, the DOD found it necessary to combine the funds from both years to meet the needs of the grant proposals received in the first cycle. Consequently, the President announced the first cycle of prostate cancer research grants—releasing $60 million in June and July for peer-reviewed research.

In this year's Defense Appropriations Bill, we have provided $40 million for prostate cancer research. The House bill has only allocated $10 million for this purpose. These numbers fall short of what is needed to fund crucial research initiatives. I hope that when the Defense Appropriations Bill is in Conference this week, funding levels for prostate cancer research will be increased. Without adequate resources, promising research into causes and treatments for prostate cancer will go unfunded. For lack of research, millions of men and their families will face critical unanswered questions about screening, diagnosis, treatment, prevention and cures for prostate cancer.

Yesterday, 110 American men died of prostate cancer. That same number will die today, tomorrow, and every

day until research identifies a cure. I hope that my colleagues will make more funds available for the prostate cancer research program at the Department of Defense so that we may offer hope to the millions affected by this deadly disease.●

JIM SOLOMON AND HIS RETIREMENT AS THE ALABAMA ATTORNEY GENERAL'S OPINIONS DIVISION CHIEF

● Mr. SESSIONS. Mr. President, I would like to take a few moments to speak to you about Jim Solomon, who is retiring from his position as head of the Alabama Attorney General's Opinions Division after 35 years of service to the state of Alabama.

This division fields legal advice requests from all over the state of Alabama, with the majority of the requests coming from local government officials having various questions concerning ambiguities in state laws. While opinions are not legally binding, they are used as guidelines by the various entities in developing public policy. Therefore, correct interpretation of Alabama laws are essential to the smaller communities and agencies that do not have a legal staff. Mr. Solomon's contributions to this effort have been extraordinary and should be noted.

I had the honor of working with Mr. Solomon during my term as the Attorney General of Alabama. He was an outstanding employee who believed in service above self. He never strayed from this work ethic during his 19 years in that office. He served as a role model to others and was someone who could always be counted on regardless of the job or the circumstances. His administrative and supervisory abilities were superior and he was greatly loved by those with whom he worked. One of his most impressive achievements was the indexing of all Opinions from 1979 forward, making it possible for the public to have access to them on the Internet.

During Mr. Solomon's employment in the Opinions Division, he was responsible for writing approximately 8,000 Opinions for state and local officials. One of the most memorable opinions caused the previously closed state legislative committee meetings to open to the public.

Jim Solomon is more than a great public servant. He possesses in rich measure the qualities that made for a great citizen, a strong churchman, a faithful family man and a good friend to many. He sets high standards and a good example for all of us.

Mr. President, I appreciate being able to make these brief comments to my fellow colleagues because it is important that Jim Solomon be recognized for his years of outstanding service to Alabama.●

AMERICAN ASSOCIATION ON MENTAL RETARDATION ILLINOIS CHAPTER'S 1998 DIRECT SERVICE PROFESSIONAL AWARD WINNERS

● Ms. MOSELEY-BRAUN. Mr. President, it is my distinct pleasure to join the Illinois chapter of the American Association on Mental Retardation in honoring the recipients of the 1998 Direct Service Professional Award. These honorees are being recognized for their outstanding commitment and contributions to the lives of people in Illinois with developmental disabilities.

These award winners have distinguished themselves through their compassion, dedication, patience and professionalism. Their work not only enriches the lives of those who they care for, but also enriches all of our lives and sets an example of service for all Americans to follow.

It is important to note that the individuals being honored are professionals who spend at least 50 percent of their time directly working with and assisting their clients in the clients' lifespace. These people are not supervisors or managers. Instead, they are direct service providers on the front-lines of our nation's mental health care system, delivering much needed and much appreciated care and assistance.

It is indeed my privilege to recognize and celebrate the achievements of the following Illinois direct service professionals: Henry Barrington, Raymond Betke, Shelly Cross, Caroline Frost, Patty Hart, Zarina Hasham, Debbie Huff, Carolyn Johnson, Molly Kuster, Preston McBride, Pearlene McDougal, Patricia Mercer, Lisa Pyle, Della Reese, Michael Smith, Marie Thompson, Marcia Weidman, Jodie White, Katie Whiteford and Sabrina Willis. It is my honor to serve these dedicated professionals in the United States Senate.

I am confident that my colleagues here in the Senate will take this opportunity to join me in saluting the winners of the 1998 Direct Service Professional Award. These awardees represent the best spirit of community service.●

TRIBUTE TO CONNIE DRAKELEY

● Mr. GREGG. Mr. President, I come to the floor today with the sad task of informing the Senate of the passing of one of my staff, Connie Drakeley. Connie died in her sleep last week and coming to terms with her sudden passing has been difficult.

Connie was a very important member of my staff and will be greatly missed. She will be missed not only for the large contributions she made to the office, but also because she was our friend.

Connie joined my staff in March, 1995 in the position of Editor. She came aboard during a time when the mail was building up and a significant backlog was forming—in short order, Connie alleviated the problem.

The mail we receive from our constituents and, in return, answer is the lifeblood of our representative government. It was in this context and with this attitude that Connie worked as Editor on my staff. She, in many ways, had the hardest job in the office—with red pen, she pointed out everyone's mistakes! But she always worked very diligently, professionally and responsibly. She worked long hours and often took work home with her; she made us all better writers. She labored in this manner to make sure that my mail was without fault.

Connie was always ready with advice and assistance when someone on staff needed help right away with a letter, speech or a press release. Though the work load sometimes could have overwhelmed her, she always rose to the challenge and kept her promises to get her editing done on time.

She was very knowledgeable and up-to-date on legislation—she watched the floor, read Congress Daily—she didn't just correct grammar, but content as well. She knew the issues and could spot a mistake a mile away. We realized how much the entire process depended on her whenever she took vacation. Mail came first to Connie! I will always be thankful for her remarkable commitment to a demanding and stressful job and her respect for the English language.

Connie dedicated her life to being the best editor one can be. Before she came to my office, she worked as an editor for Senator HARRY REID, for the National Archives, for Bechtel, and as a picture researcher for LIFE magazine.

I would like to extend my deepest sympathies to Connie's daughter, brother and other family members. On behalf of my entire office, I wish to let them know that our prayers and thoughts are with them.

Connie was an indispensable member of our team; her energy, vitality, and dedication will be missed for a long time. We simply couldn't have accomplished what we did on a weekly basis for the past few years without her. Personally and professionally, we have lost a good friend and coworker.●

NATIONAL MISSILE DEFENSE

Mr. DODD. Mr. President, in light of the recent vote on national missile defense, I feel compelled to explain my position on this important issue. In short, I agree with this Nation's senior military officers, the Joint Chiefs of Staff. Each of them opposes the National Missile Defense bill, and they provided a detailed explanation of their position in a letter they sent to Capitol Hill prior to the vote.

The National Missile Defense bill would require that a national missile defense system be deployed as soon as it is ''technologically feasible.'' Conversely, the current plan calls for the Defense Department, by the year 2000, to research and develop such a system and then be able to deploy it within

three years. This policy allows us to develop our capabilities in view of developing threats rather than run the risk of deploying a system that proves to be ineffective. In the absence of a current long range ballistic missile threat from a rogue state, this is the most reasonable policy.

Research and development of a National Missile Defense system is advancing at an accelerated pace. Most weapons systems require six to twelve years before they are fully developed and ready to be deployed, but under the current timetable, the National Missile Defense system will spend as little as three years in the development phase. This represents the Defense Department's strong commitment to protecting the United States from an intercontinental missile attack. That commitment is backed by billions of dollars in funding. The nation will spend nearly a billion dollars on national missile defense during the next fiscal year alone.

The National Missile Defense bill would not have advanced the timetable for developing and deploying a missile defense system. What it would have done is lock this nation in to buying a yet-to-be-developed system against an unknown threat for an unidentified sum of money. A decision to buy a system at such an early stage would not only have been unprecedented, but it could have sapped funding from programs that are directed at addressing existing threats. For example, the Joint Chiefs of Staff pointed out that a weapon of mass destruction may presently be delivered through unconventional, terrorist-style means, yet a national missile defense system would not address that threat.

This bill would have had a detrimental impact on arms control agreements. Had the United States gone forward to deploy a National Missile Defense system as the bill required, this nation would have violated the Anti-Ballistic Missile (ABM) Treaty. Additionally, it might have caused Russia to withdraw from the START I Treaty and certainly would have prevented the ratification of the START II Treaty. The intercontinental ballistic missile threat to this nation will be intensified if Russia retains hundreds of additional nuclear weapons as a result broken agreements. The current policy, continued research and development of a system, would not violate arms control agreements or cause Russia to withdraw from treaties that place important limitations on both nations' missiles.

In conclusion, although I oppose this National Missile Defense bill, I feel strongly that there is an important place for missile defense in our national security strategy. There have been some important advancements in the development of both theater and national missile defense systems that will surely benefit this nation in the future. Our efforts along these lines must continue. Considering all of our defense and non-defense priorities, however, now is not the time to rush forward with a decision to deploy an undeveloped national missile defense system.

RECOGNIZING THE 50TH ANNIVERSARY OF THE AMERICAN RED CROSS BLOOD SERVICES

• Mr. FRIST. Mr. President, yesterday I submitted a concurrent resolution recognizing the 50th anniversary of the American Red Cross Blood Services. I ask that the text of remarks made at the 50th Anniversary Bicentennial Celebration by Mrs. Elizabeth Dole, President of the Red Cross, be printed in the RECORD.

The remarks follow:

Thank you, Paul, for that kind introduction and ladies and gentlemen, thank you so much. And special thanks to Donna Shalala, Secretary of Health and Human Services, and David Kessler, Dean of the Yale Medical School and former Commissioner of the Food and Drug Administration. We are delighted you could be with us today as we mark the 50th anniversary of the most important of our national reserves: America's reserve of life, the American blood supply. Thank you, Donna and David, for your continued leadership, and for your steadfast dedication to the safety and quality of American health.

Aren't we thrilled to have Garth Brooks here. Garth, you have a magical hold on the spirit of our people. What a joy it is that you would share that bond with us. We are enormously grateful.

What a day! We are also so very pleased to be joined by the Oak Ridge Boys! Boys, your music puts the party in the birthday, and we thank you.

Also, many thanks to the other wonderful celebrities with us today—Lynda Carter, Kennedy, and William Moses. We sincerely appreciate your generosity in joining us to celebrate our 50th birthday of Biomedical Services. And, welcome to Councilwoman Charlene Drew Jarvis, the daughter of Dr. Charles Drew, renowned plasma pioneer for the American Red Cross and leading authority on transfusion. The Charles Drew Institute honors his memory. Thank you, Charlene, for your support over the years.

As we observe this 50th anniversary, of American Red Cross Blood services, it's a time to take satisfaction in our past and pride in where we've been. The Red Cross started collecting blood during World War II in order to save soldier's lives, and our efforts were credited with reducing the death rate among these soldiers to half that of their World War I counterparts. When peace came, we created America's first nationwide, volunteer blood collection and distribution system, assuring all our citizens access to one of the great medical advances of this century.

But health events in the last two decades rocked us to our very foundations. The age of blood-borne diseases such as AIDS and new forms of hepatitis swooped down on us with a vengeance. We knew we could no longer operate at the Red Cross as we had done for so many years. Which is why this year, our 50th anniversary, is a year to look forward, rather than back. Today I take great joy in announcing an historic achievement:

As the year closes, the American Red Cross will celebrate the completion of our nearly seven-year, $287 million dollar transformation of our blood operations. This long-awaited milestone is the reason I stand here with so much confidence—and hope—for the future. The accomplishment of Transformation is a great, triumphant victory in our common endeavor to expand what is possible in health care.

And I'm also pleased to announce today that, following this speech, I am leaving on a nation-wide tour of blood drives and celebrity events to focus attention on the safety revolution in America's blood supply. Many of our citizens are still frightened of transfusions, and they should not be! Many millions still mistrust those red bags of life, and they must not! We have achieved a new American miracle in blood, and I will take that message across America. We will celebrate and we will educate but first, let me ruminate.

When I came to the Red Cross in February 1991, the legal and financial vulnerabilities of our blood operations threatened the very viability of the Red Cross. The country was pretty worried about the safety of America's blood supply back then. And as the person newly responsible for half of it, so was I. Some of our Board members wanted us to get out of blood banking altogether, believing our duty to safeguard the rest of our historic organization demanded that we abandon this mission field. Between Congressional hearings, media exposés and enormous regulatory pressure, there were days when I wanted to get out, too.

Still, the question haunted us: if we left blood banking, who would fill our shoes? The Red Cross is not a public agency, but what we do—especially in blood—is a public trust. We weren't going to let America down. Not on our watch.

The blood supply was as safe as the current blood systems and contemporary scientists knew how to make it. But in the age of AIDS and other blood borne infectious diseases, wasn't there more we could do? We had to ''think outside the box'' with respect to existing science, blood supply management, and safety approaches.

We dreamed, in 1991, of where we wanted to go. But we did more than that. We mustered our courage and embraced Transformation as our ticket to ride. It was the most ambitious project the Red Cross had ever undertaken; the total redesign of how we collect, process, test, and deliver nearly half of America's blood supply. I dare say it is the most profound change any non-profit organization has made in recent memory!

At the time, it felt the way I imagine a Shuttle astronaut must feel on her first space walk letting go of the ship, taking her first step into the unknown. It felt as if our whole organization had let go . . . let go of the security of status-quo standards, let go of the financial certainty underpinning our entire operation, let go of what we knew, in search of what we hoped to find—but knowing that each step was backed up by a truly exceptional scientific team entirely committed to forging new frontiers. I feel so fortunate that Jim Ross with Brian McDonough and each member of his outstanding team answered my call to complete this challenge.

In 1993, the Food and Drug Administration imposed a consent decree on our blood services operations. But as David will tell you, we were already more than two years into Transformation. The consent decree was basically a codification or ratification of our far-reaching plan, with timelines and milestones for measuring our progress. And today, as we conclude Transformation, we also are wrapping up our last requirements under the decree.

With the completion of Transformation this year, we will have forced ourselves from the mind set of always doing things the way we had done them before. We already have left behind our days in the comfort of industry average to become the undisputed leader

in blood banking. Once we were weighed down with 53 non-standardized blood centers running 28 computer systems in a patchwork quilt of regions, each with its own operating procedures and business practices. Today we have one set of operational procedures, one set of business practices, and one state of the art computer system—which gives us the best national donor deferral system and the largest blood information data base in the world for transfusion medicine research.

We determined that today's demands were best met in high-volume, state-of-the-art, centralized labs, so we replaced our 53 testing facilities with 8 state-of-the-art, high-tech laboratories that today are the leading centers of their kind in the world. This enables us to quickly incorporate medical technology as it evolves.

Perhaps most importantly, today we no longer fear finding our own faults. We actively seek them out, report them and then fix them, ourselves. We hired a leader in quality assurance who created an independent program, providing more than 200 experts to audit and consult with all of our fixed sites. We actively monitor for more than 150 possible deviations in manufacturing. And our folks, can and on occasion have shut down a process immediately, when they have found a serious deviation from standard operating procedure.

In short, we have a new, centralized management structure, a new information system, and the best quality assurance program in existence. We have consolidated and modernized testing and have strictly standardized procedures and training across our system. As a matter of fact, we now run the highly acclaimed Charles Drew Biomedical Institute—and provide leadership to the entire blood banking community.

We have moved to a position of leadership in an industry which has achieved phenomenal success in the face of frightening odds: In 1991, an American's risk of HIV transmission from a blood transfusion was one in 220,000. Today, is it nearly one in 700,000—more than a three-fold reduction in risk. I'd say that is worth cheering about, wouldn't you?

Today, I can say what I could not seven years ago: the Red Cross is in the blood business to stay. We are sure of our mission and we know how to fulfill it. No longer an organization constrained by yesterday's technology, we operate today with the gleaming precision and efficiency of what is still, for most in the world, only tomorrow's possibilities. We offer Cadillac quality coupled with Volvo security. Don't get me wrong: every car on the lot meets the government standard for safety. But like Cadillac and Volvo, we have set standards of our own.

Unlike car companies, however, we don't do what we do for a profit. The pins on our lapels and the patches on our sleeves remind us daily that we are in this business to fulfill a national trust, to live up to our moral commitment to do the best we can to ensure the well-being of the American people. We are also reaching out to the rest of the world, sharing the lessons we have learned from Transformation to help improve the safety and reliability of the world's blood supply.

Of course, modernization and improvement is a process that must never end. As David Kearns, the former chairman of Xerox, once said, ''In the race for quality, there is no finish line.'' This could never be more true than in the blood banking business. We're determined to remain not only the industry leader in quality and safety, but to place ourselves in the forefront of new product development.

At our world-class Hollard Laboratory, Red Cross physicians and scientists are evaluating and monitoring possible threats to the blood supply and working on many other new, cutting-edge technologies—some of which we will share with you today.

But all this technology wouldn't be worth a thing without the Red Cross who make it work for America. They are the reason and the inspiration for our service. We have 1.3 million volunteers, 32,000 paid staff, and 4.3 million blood donors—that's 20,000 donors every day—I'd like to stop just a minute give those heroes a loud round of applause.

Yes, after 50 years in Blood Services—and spending the last seven years transforming them, the American Red Cross has much to celebrate. In addition to enhancing blood safety, our investment has given us the knowledge and confidence to shape our own future.

Before Transformation, the Red Cross and other blood banks around the country waited for signals from the FDA that change was required. Today, the Red Cross is a leader of change. While Transformation the program is nearly complete, Transformation the process will be never ending.

There is a story I love about Supreme Court Justice Oliver Wendell Holmes. When Justice Holmes was in his 90s, he took a trip on the Pennsylvania Railroad. As he saw the conductor coming down the aisle, he began patting his pockets, looking for his ticket. The conductor, recognizing the famous jurist, said ''Don't worry, Mr. Justice. I'm sure you'll find your ticket when you leave the train, and certainly the Pennsylvania Railroad will trust you to mail it back later.''

Justice Holmes looked up at the conductor with some irritation and said, ''My dear man, the problem is not, where is my ticket. The problem is, where am I going?''

Ladies and gentlemen, the American Red Cross knows where it's going! As we have led the nation in blood transformation, so we will set a new credo of business for businesses of the heart. But more than that, we are dedicated to saving and improving every life we can. We at the Red Cross want to be the model for non-profits in the next century. The status quo is no longer our milieu. Well into the new millennium, the Red Cross will seek out the cutting edge; we will be the people who question the range of possibilities—in blood banking as well as in every other aspect of our mission.

But we know we cannot accomplish all of our dreams by ourselves. We need the time and money, the brainpower and the lifeblood of Americans like you. Together, we will continue to imagine the unimaginable and attain the unattainable. Together, we will be privileged to touch, and in so doing transform, the millions of individual lives we are dedicated to serve.

On behalf of our entire Red Cross family, thank you for all you've done, and for all you continue to do. And on this special day, thanks for coming to our party.●

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under Section 308(b) and in aid of Section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the First Concurrent Resolution on the Budget for 1986.

This report shows the effects of congressional action on the budget through September 21, 1998. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the 1998 Concurrent Resolution on the Budget (H. Con. Res. 84), show that current level spending is below the budget resolution by $17.1 billion in budget authority and above the budget resolution by $1.9 billion in outlays. Current level is $1.0 billion below the revenue floor in 1998 and $2.9 billion above the revenue floor over the five years 1998–2002. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $176.4 billion, $2.9 billion above the maximum deficit amount for 1998 of $173.5 billion.

Since my last report, dated September 8, 1998, there has been no action that has changed the current level of budget authority, outlays, and revenues.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 22, 1998.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The enclosed report for fiscal year 1998 shows the effects of Congressional action on the 1998 budget and is current through September 21, 1998. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the 1998 Concurrent Resolution on the Budget (H. Con. Res. 84). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

Since my last report, dated September 3, 1998, there has been no action that has changed the current level of budget authority, outlays, and revenues.

Sincerely,

JUNE E. O'NEILL,
Director.

Enclosures.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1998, 105TH CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS SEPTEMBER 21, 1998

[In billions of dollars]

	Budget resolution H. Con. Res. 84	Current level	Current level over/under resolution
ON-BUDGET			
Budget Authority	1,403.4	1,386.3	−17.1
Outlays	1,372.5	1,374.4	1.9
Revenues:			
1998	1,199.0	1,198.0	−1.0
1998–2002	6,477.7	6,480.6	2.9
Deficit	173.5	176.4	2.9
Debt Subject to Limit	5,593.5	5,428.4	−165.1
OFF-BUDGET			
Social Security Outlays:			
1998	317.6	317.6	0.0
1998–2002	1,722.4	1,722.4	0.0
Social Security Revenues:			
1998	402.8	402.7	−0.1
1998–2002	2,212.1	2,212.3	0.2

Note:—Current level numbers are the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

Source: Congressional Budget Office.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 105TH CONGRESS, 2D SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1998, AS OF CLOSE OF BUSINESS SEPTEMBER 21, 1998

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			1,197,381
Permanents and other spending legislation	912,040	868,025	
Appropriation legislation	752,279	781,902	
Offsetting receipts	−283,340	−283,340	
Total previously enacted	1,380,979	1,366,587	1,197,381
ENACTED SECOND SESSION			
1998 Emergency Supplemental Appropriations and Rescissions (P.L. 105–174)	−2,039	310	
Transportation Equity Act for the 21st Century (P.L. 105–178) [1]	−923	−440	
Care for Police Survivors Act of 1998 (P.L. 105–180)	1	1	
Agriculture Export Relief Act of 1998 (P.L. 105–194)	7	7	
Internal Revenue Service Restructuring and Reform Act of 1998 (P.L. 105–206) [2]	−15	440	608
Homeowners' Protection Act (P.L. 105–216)	2	2	
Credit Union Membership Access Act (P.L. 105–219)			[3]
Act to establish the United States Capitol Police Memorial Fund (P.L. 105–223)			[3]
Total, enacted second session	−2,967	320	608
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	8,280	7,461	
TOTALS			
Total Current Level	1,386,292	1,374,368	1,197,989
Total Budget Resolution	1,403,402	1,372,512	1,199,000
Amount remaining:			
Under Budget Resolution	17,110		1,011
Over Budget Resolution		1,856	
ADDENDUM			
Emergencies	5,691	3,357	−8
Contingent Emergencies	329	53	
Total	6,020	3,410	−8
Total Current Level Including Emergencies	1,392,312	1,377,778	1,197,981

[1] Section 8102 of this Act directed that direct spending and revenues associated with Title VIII be excluded from the PAYGO scorecard. At the request of committee staff, this scoring has also been excluded from current level. The estimates in 1998 are $365 million in budget authority and $165 million in outlays for student loans.

[2] Title IX of this Act includes a technical correction to P.L. 105–178 that extends the PAYGO exclusion of section 8102 of that Act to also cover section 1102. At the request of committee staff, the scoring shown reflects removing from current level the effects of this section on spending for Federal-aid to highways.

[3] The revenue effect of this act begins in fiscal year 1999.

Notes.—Amounts shown under "emergencies" represent funding for programs that have been deemed emergency requirements by the President and the Congress. Amounts shown under "contingent emergencies" represent funding designated as an emergency only by the Congress that is not available for obligation until it is requested by the President and the full amount requested is designated as an emergency requirement.

Source: Congressional Budget Office.●

AUTHORIZING TESTIMONY AND REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 281, submitted earlier by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 281) to authorize testimony and representation of employees of the Senate in United States v. Alphonso Michael Espy.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, this resolution concerns a criminal prosecution brought against former Secretary of Agriculture Mike Espy, alleging acceptance of illegal gratuities and related charges. The Independent Counsel, who is bringing this prosecution, seeks testimony at trial from two present and one former employee of the Senate about communications with meat and poultry processing industry representatives and Executive Branch officials about a labeling rule promulgated by the Agriculture Department in 1993. The trial is scheduled to begin on October 1.

In keeping with the Senate's practice regarding similar matters, this resolution would authorize testimony by employees of the Senate, except where a privilege should be asserted, with representation by the Senate Legal Counsel.

Mr. MCCAIN. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

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

The resolution (S. Res. 281) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 281

Resolved,

Whereas, in the case of *United States* v. *Alphonso Michael Espy*, Criminal Case No. 97–0335, pending in the United States District Court for the District of Columbia, a trial subpoena has been served upon Galen Fountain and Jo Nobles, employees of the Senate, and Leslie Chalmers Tagg, formerly an employee of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved That Galen Fountain, Jo Nobles, Leslie Chalmers Tagg, and any other employee from whom testimony may be required, are authorized to testify in the case of *United States* v. *Alphonso Michael Espy*, except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent Galen Fountain, Jo Nobles, Leslie Chalmers Tagg, and any other employee of the Senate, in connection with testimony in *United States* v. *Alphonso Michael Espy*.

ORDERS FOR THURSDAY, SEPTEMBER 24, 1998

Mr. MCCAIN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Thursday, September 24. I further ask that when the Senate reconvenes on Thursday, immediately following the prayer, the Journal of proceedings be approved, no resolutions come over under the rule, the call of the calendar be waived, the morning hour be deemed to have expired, and the time for the two leaders be reserved.

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

Mr. MCCAIN. I further ask unanimous consent that the Senate then immediately proceed to vote on the motion to invoke cloture on the motion to proceed to S. 2176, the so-called Vacancies Act.

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

Mr. MCCAIN. I further ask unanimous consent that following the cloture vote, and if cloture is not invoked, the Senate resume consideration of S. 2279, the FAA authorization bill. I further ask that there then be 10 minutes equally divided for closing remarks on the Inhofe amendment, and at the conclusion of debate time the Senate proceed to vote on or in relation to the amendment. I further ask that no second-degree amendments be in order to the Inhofe amendment prior to the vote.

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

PROGRAM

Mr. MCCAIN. For the information of all Senators, when the Senate reconvenes on Thursday, there will be an immediate vote on the motion to invoke cloture on the motion to proceed to the so-called Vacancies Act. Following that vote, the Senate will resume consideration of the FAA authorization bill, with 10 minutes of debate remaining on an Inhofe amendment regarding emergency license removal. At the conclusion of that time, the Senate will proceed to a vote on or in relation to the Inhofe amendment. Following that vote, the Senate will continue consideration of the FAA bill, with amendments being offered and debated throughout tomorrow's session. Therefore, Members should expect rollcall votes during the day and into the evening on Thursday in relation to the FAA bill or any other legislative or executive items cleared for action.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. MCCAIN. 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.

There being no objection, the Senate, at 6:37 p.m., adjourned until Thursday, September 24, 1998, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 23, 1998:

DEPARTMENT OF JUSTICE

DENISE E. O'DONNELL, OF NEW YORK, TO BE UNITED STATES ATTORNEY FOR THE WESTERN DISTRICT OF NEW YORK FOR THE TERM OF FOUR YEARS VICE PATRICK H. NEMOYER, RESIGNED.

FOREIGN SERVICE

THE FOLLOWING NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATES, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF COMMERCE

JUDY R. EBNER, OF VIRGINIA

UNITED STATES INFORMATION AGENCY

MICHAEL L. MITCHELL, OF TEXAS
GEORGE SKARPENTZOS, OF VIRGINIA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

ANNA MARIA F. ADAMO, OF FLORIDA
DOUGLAS M. BELL, OF CALIFORNIA
ROBERT GERALD BENTLEY, OF CALIFORNIA
LISA BRODEY, OF WASHINGTON
ROBERT GEORGE BURGESS, OF ILLINOIS
RONALD N. CAPPS, OF FLORIDA
ERIC SCOTT COHAN, OF VIRGINIA
PATRICIA ANN EGAN COMELLA, OF MARYLAND
MARK KRISTEN DRAPER, OF WASHINGTON
ERIC ALAN FLOHR, OF MARYLAND
JUSTIN PAUL FRIEDMAN, OF VIRGINIA
WILLIAM ROBERT GILL, JR., OF VIRGINIA
DAVID ROBERT GREENBERG, OF NEW JERSEY
THERESA ANN GRENCIK, OF PENNSYLVANIA
WARREN D. HADLEY, OF MISSOURI
RICHARD S.D. HAWKINS, OF NEW HAMPSHIRE
ANDREW COCHRANE HOYE, OF CALIFORNIA
KIMBERLY CHRISTINE KELLY, OF TEXAS
GREGORY PAUL MACRIS, OF FLORIDA
KAREN E. MARTIN, OF WASHINGTON
JOEL FOREST MAYBURY, OF CALIFORNIA
SEAN IAN MCCORMACK, OF MAINE
HEATHER D. MCCULLOUGH, OF ARKANSAS
BENJAMIN WARD MOELING, OF CONNECTICUT
ROBERT J. MOLINA, OF CALIFORNIA
CHRISTOPHER MONDINI, OF CALIFORNIA
ELIZABETH ANNE NOSEWORTHY, OF DELAWARE
TIMOTHY MEADE RICHARDSON, OF VIRGINIA
MARK ANDREW SHAHEEN, OF MARYLAND
WILLIAM DAVIES SOHIER III, OF MASSACHUSETTS
JAMES HARLAN THIEDE, OF CALIFORNIA
HORACIO ANTONIO URETA, OF FLORIDA
JOHN P. WHALEN, OF MASSACHUSETTS

UNITED STATES INFORMATION AGENCY

VICKI ADAIR, OF WASHINGTON
LINDA L. ERICKSON, OF FLORIDA
CATHERINE BLOWERS JAZYNKA, OF FLORIDA
ROBERT C. KERR, OF NEW YORK
DELORES MINERVA MORTIMER, OF MICHIGAN
JULIE A. NICKLES, OF FLORIDA
PATRICIA D. NORLAND, OF THE DISTRICT OF COLUMBIA
JANE S. ROSS, OF THE DISTRICT OF COLUMBIA

THE FOLLOWING NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENT OF COMMERCE AND THE DEPARTMENT OF STATE AND THE UNITED STATES INFORMATION AGENCY TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

ARNALDO ARBESU, JR., OF FLORIDA
MICHELE BACK, OF MINNESOTA
JENNIFER L. BACHUS, OF KANSAS
DAVID F. BANKS, OF VIRGINIA
KATHY ANN BENTLEY, OF TENNESSEE
HEIDE M. BRONKE, OF TEXAS
LEE RUST BROWN, OF UTAH
JOHN A. CARINI, OF CALIFORNIA
ROBET MADISON CONOLEY, OF OREGON
ROBERT E. COPLEY, OF COLORADO
CANDACE S. CREWS, OF ALASKA
JESSE STARR CURTIS, OF ARIZONA
RICHARD RANDALL CUSTIN, OF MICHIGAN
ALEXANDER N. DANIELS, OF ILLINOIS
JESSICA LEE DAVIES, OF CALIFORNIA
MARA ANGELA DEL PRINCIPE, OF VIRGINIA
JEFFERSON KENNEDY DUBEL, OF FLORIDA
ADRIENNE MARIE GALANEK, OF NEW YORK
MAUREEN GLAZIER, OF CALIFORNIA
JOHN MICHAEL FRANCIS GRONDELSKI, OF NEW JERSEY
THOMAS J. GRUBISHA, OF PENNSYLVANIA
JENNIFER A. HARHIGH, OF PENNSYLVANIA
EDWARD P. HEARTNEY, OF CALIFORNIA
AARON M. HELLMAN, OF CALIFORNIA
PATRICIA LYNN HOFFMAN, OF PENNSYLVANIA
ROBIN HOLZHAUER, OF WISCONSIN
PAUL J. HOUGE, OF THE DISTRICT OF COLUMBIA
KURT J. HOYER, OF CALIFORNIA
NANCY L. ISRAEL, OF VIRGINIA
FREDERICK L. JONES, II, OF CALIFORNIA
KEVIN KABUMOTO, OF ILLINOIS
LISBETH KEEFE, OF OHIO
ROGER KENNA, OF VERMONT
PAUL J. KULLMAN, OF VIRGINIA
JASON N. LAWRENCE, OF CALIFORNIA
THOMAS ERIC LERSTEN, OF VIRGINIA
ALAIN Y. LETORT, OF THE DISTRICT OF COLUMBIA
HEATHER CHRISTINE LIPPITT, OF ILLINOIS
THOMAS P. MCANALLY, OF COLORADO
HENRY MARTIN MCDOWELL IV, OF ALASKA
KEVIN DAVID MCGLOTHLIN, OF FLORIDA
PATRICIA A. MELVIN, OF VIRGINIA
JOSEF E. MERRILL, OF CALIFORNIA
IRENEO TAN MIQUIABAS III, OF OHIO
VERONICA CAROLYN MOBLEY, OF VIRGINIA
ERIN STROTHER MURRAY, OF INDIANA
HEIDI NEBEL, OF VIRGINIA
BRIAN NEUBERT, OF THE DISTRICT OF COLUMBIA
ALAIN G. NORMAN, OF MARYLAND
MARIA DE GUADALUPE OLSON, OF ILLINOIS
MARIELA CALDERON OROZCO, OF VIRGINIA
STEPHANIE K. OSTROWSKI, OF VIRGINIA
BENJAMIN RALPH OUSLEY, OF NORTH CAROLINA
LAWRENCE JAMES PETRONI, OF NEW YORK
PAUL EVANS POLETES, OF SOUTH DAKOTA
ELIZABETH CARUSO POWER, OF MARYLAND
ALAN S. PURCELL, OF KENTUCKY
COLLEEN ANN QUINN, OF THE DISTRICT OF COLUMBIA
EFFREY KIMBALL RENEAU II, OF NEW HAMPSHIRE
ARLISSA MERRITT REYNOLDS, OF ARIZONA
OHN CARTER ROBERTSON, OF TEXAS
MARY KATHERINE ROBINSON, OF VIRGINIA
RUSSELL C. ROSEDALE, OF VIRGINIA
MATTHEW P. ROTH, OF KANSAS
VICKI RUNDQUIST, OF VIRGINIA
AMES L. RUSSO, OF VIRGINIA
EFFREY ALBERT SALAIZ, OF TEXAS
OSEPH E. SALAZAR, OF TEXAS
STUART L. SCHAAG, OF FLORIDA
MARK HENRY SCHWENDLER, OF VIRGINIA
DANNETTE K. SEWARD, OF WYOMING
AARON HESS SHERINIAN, OF CALIFORNIA
SUSAN MARIE SHULTZ, OF FLORIDA
MARY PAULINE STICKLES, OF MARYLAND
JENNIFER DORSEY SUBLETT, OF MISSOURI
MARC TEJTEL, OF VIRGINIA
JAMES W. TERBUSH, OF COLORADO
CHRISTINA LOUISE TOMLINSON, OF VIRGINIA
LYNN F. TRESSLER, OF NEW YORK
MICHAEL TURNER, OF NEW YORK
PAMELA R. WARD, OF OREGON
STEPHEN SPENCER WHEELER, OF CALIFORNIA
MARK J. WILDERMUTH, OF ARIZONA
ALEISHA WOODWARD, OF WASHINGTON

SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF TREASURY

ROBERT S. DOHNER, OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF STATE

ALLEN S. WEINER, OF THE DISTRICT OF COLUMBIA

IN THE ARMY

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. MICHAEL L. DODSON, 0000.

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. RANDALL L. RIGBY, JR., 0000.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADES INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. JERALD N. ALBRECHT, 0000.
BRIG. GEN. WESLEY A. BEAL, 0000.
BRIG. GEN. WILLIAM N. KIEFER, 0000.
BRIG. GEN. WILLIAM B. RAINES, JR., 0000.
BRIG. GEN. JOHN L. SCOTT, 0000.
BRIG. GEN. RICHARD O. WIGHTMAN, JR., 0000.

To be brigadier general

COL. ANTONY D. DICORLETO, 0000.
COL. GERALD D. GRIFFIN, 0000.
COL. TIMOTHY M. HAAKE, 0000.
COL. JOSEPH C. JOYCE, 0000.
COL. CARLOS D. PAIR, 0000.
COL. PAUL D. PATRICK, 0000.
COL. GEORGE W. PETTY, JR., 0000.
COL. GEORGE W. S. READ, 0000.
COL. JOHN W. WEISS, 0000.

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

REAR ADM. SCOTT A. FRY, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

VICE ADM. PATRICIA A. TRACEY, 0000.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK(*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be major

MICHAEL C. AARON, 0000
*GILBERT ADAMS, 0000
KENNETH P. ADGIE, 0000
CLINTON E. AICHS, 0000
LARRY P. AIKMAN, JR. 0000

*BRIAN E. ALBERT, 0000
DANIEL S. ALBERT, 0000
SCOTT E. ALEXANDER, 0000
MANLEY R. ALFORD, 0000
*BROOK E. ALLEN, 0000
CHARLES H. ALLEN, 0000
GREGORY J. ALLEN, 0000
*STEPHANIE D. ALLEN, 0000
WILLIAM E. ALLEN, 0000
JOAN M. ALLISON, 0000
*CATHERINE E. ALTHERR, 0000
JOHN M. ALTMAN, 0000
MARICELA ALVARADO, 0000
JOHN W. AMBERG II, 0000
MICHAEL W. ANASTASIA, 0000
*CAROL L. ANDERSON, 0000
*DARRAN T. ANDERSON, 0000
*DELMAR G. ANDERSON, 0000
DOUGLAS F. ANDERSON, 0000
*JAMES E. ANDERSON, 0000
MATTHEW D. ANDERSON, 0000
MATTHEW R. ANDERSON, 0000
MICHAEL R. ANDERSON, 0000
*RICHARD J. ANDERSON, 0000
ROBERT J. ANDERSON, 0000
STEVEN P. ANDERSON, 0000
*ERIC J. ANGELI, 0000
BRUCE P. ANTONIA, 0000
*JOSE E. ARANES, 0000
HOWARD E. AREY IV, 0000
*TAIVIA K. ARMSTRONG, 0000
*TODD A. ARMSWORTH, 0000
*ANTHONY E. ARTHUR, 0000
SAMUEL L. ASHLEY, 0000
*TERRI L. ASHLEY, 0000
*DAVID W. ASTIN, 0000
*CHARLES L. ATKINS, 0000
DOUGLAS R. BABB, 0000
GLENN C. BACA, 0000
ROBERT E. BACKMAN, 0000
ANDREW W. BACKUS, 0000
PETER K. BACON, 0000
*SCOTT D. BAER, 0000
DOUGLAS G. BAGDASARIAN, 0000
DAVID B. BAILEY, 0000
STEVEN L. BAIRD, 0000
GWEN E. BAKER, 0000
JEFFERY S. BAKER, 0000
PRENTISS O. BAKER, 0000
STEVEN A. BAKER, 0000
ROBERT M. BALCAVAGE, JR. 0000
*JOHN S. BALDA, 0000
BRADLY S. BALDWIN, 0000
CHRISTOPHER L. BALLARD, 0000
*RICHARD R. BALLARD, 0000
*ANTWAN D. BANKS, 0000
*THYRIS D. BANKS, 0000
*KEITH K. BANNING, 0000
DARIO A. BARATTO, 0000
JAMES T. BARKER, 0000
DANE A. BARKSDALE, 0000
JAMES R. BARNES, 0000
*DANIEL R. BARNETT, 0000
*PATRICK H. BARNWELL, 0000
JAMES E. BARREN, 0000
*EUGENE BARRETT, 0000
MARIA B. BARRETT, 0000
*MARK C. BARTHOLF, 0000
JAMES L. BARTON, JR., 0000
RONALD J. BASHISTA, 0000
*DAVID G. BASSETT, 0000
DEAN R. BATCHELDER, 0000
*KIRKLIN J. BATEMAN, 0000
*RENA M. BATTS, 0000
TIMOTHY R. BAXTER, 0000
JOHN M. BAYER, 0000
*ALFRED J. BAZZINOTTI, 0000
PATRICK M. BEARSE, 0000
*WILLIAM G. BEAVERS, 0000
JOHN D. BECK, 0000
JAY F. BECKERMAN, 0000
CHRISTOPHER H. BECKERT, 0000
*SIGMUND B. BELISCH, JR., 0000
JOSELYN L. BELL, 0000
*DARRIN L. BENDER, 0000
JOHN N. BENDER, 0000
DAVID M. BENNETT, 0000
*CHRISTOPHER R. BENOIT, 0000
WAYNE P. BERGERON, 0000
CARLOS G. BERRIOS, 0000
CARLOS J. BETANCOURT, JR., 0000
ALDO P. BIAGIOTTI, 0000
ROBERT L. BILLEAUD, 0000
*MANFRED BILLENSTEIN, 0000
SCOTT J. BISCIOTTI, 0000
PAUL A. BISHOP, 0000
MARK R. BLACKBURN, 0000
ROBERT D. BLANCHETTE, 0000
JAMES A. BLANCO, 0000
MANUEL BLANCO, 0000
*MAURICE T. BLAND, 0000
MURRAY K. BLANDING, SR., 0000
GREGG A. BLISS, 0000
BRYAN H. BLUE, 0000
*MICHAEL J. BOCHNA, 0000
WILLIAM D. BOCK, 0000
MICHAEL A. BODEN, 0000
*RUSSELL E. BODINE, 0000
WILLIAM E. BOHMAN, 0000
WILLIAM L. BOICE, 0000
*BRENT T. BOLANDER, 0000
DONALD C. BOLDUC, 0000
*SCOTT D. BOLSTAD, 0000
RICHARD K. BOND, 0000
*JACK W. BONE, 0000
JAMES E. BONER, 0000
JOSEPH M. BONGIOVANNI, 0000
CHRISTOPHER J. BONHEIM, 0000
BRETT L. BONNELL, 0000
PAUL BONTRAGER, 0000
*CLAUDE E. BONVOULOIR, 0000
NANCY BOORE, 0000
*KARL D. BOPP, 0000
*SHERRIE L. BOSLEY, 0000
*REGINALD BOSTICK, 0000
*JOSEPH J. BOVY, JR, 0000
THEODORE C. BOWLING, 0000
*MICHAEL E. BOWNAS, 0000
*JEFFREY A. BOYER, 0000
CURTIS W. BOZEMAN, 0000
BEVERLY F. BRACKEN, 0000
*LAURENCE G. BRACKETT, 0000
JAMES H. BRADLEY, JR, 0000
*JOHN M. BRADSHER, 0000
*ALEXANDER P. BRANCH, 0000
MICHAEL E. BRANDT, 0000
ALLEN G. BRANNAN, 0000
MARK W. BRANTLEY, 0000
JAMES B. BRASHEAR, 0000
*LIANA L. BRATLAND, 0000
*DONALD S. BRAWLEY, 0000
KENNETH A. BREITEN, 0000
THOMAS M. BRENNAN, 0000
DONALD E. BRIDGERS, 0000
ERIC W. BRIGHAM, 0000
JEFFREY W. BRLECIC, 0000
DARIN L. BROCKINGTON, 0000
PINILLA K. BROOKS, 0000
TIMOTHY P. BROOKS, 0000
PAUL C. BROTZEN, 0000
SCOTT E. BROWER, 0000
ANTHONY BROWN, 0000
ANTHONY T. BROWN, 0000
*DAVID L. BROWN, 0000
DUANE E. BROWN, 0000
*JAMES C. BROWN, 0000
JENIFER L. BROWN, 0000
KERK B. BROWN, 0000
*RANDALL K. BROWN, 0000
SHANNON B. BROWN, 0000
*TITUS BROWN, 0000
*VERONICA BROWN, 0000
MICHAEL I. BROWNFIELD, 0000
DENNIS W. BROZEK, 0000
*WALTER J. BRUNING, 0000
ERIC B. BRUNS, 0000
KERRY P. BRUNSON, 0000
*SHEILA A. BRYANT, 0000
*MARK J. BUCKLEY, 0000
GEOFFREY P. BUHLIG, 0000
STEVEN R. BULLOCK, 0000
MART E. BUMGARNER, 0000
STEVEN R. BUNCH, 0000
*ROBERT J. BUNGARDEN, 0000
WILLIAM C. BUNTING, 0000
JAMES D. BURDICK, 0000
MARK A. BURGE, 0000
ROBERT K. BURK, 0000
STEPHEN A. BURK, 0000
*GLEN D. BURNHAM, 0000
KATHLEEN M. BURNS, 0000
*MARK E. BURTNER, 0000
LOU L. BURTON III, 0000
*DAVID W. BURWELL, 0000
TROY D. BUSBY, 0000
BICHSON BUSH, 0000
*CHRISTOPHER B. BUSH, 0000
RICHARD S. BUSKO, 0000
*ALFONZO BUTLER, 0000
*DARRELL W. BUTLER, 0000
LEO P. BUZZERIO, 0000
*HAROLD B. BYRNE, 0000
LEO F. CABALLERO, 0000
LYLE J. CADDELL, 0000
STEVEN G. CADE, 0000
JACQUELINE M. CAIN, 0000
*JOSEPH E. CALISTO, 0000
DAVID C. CALLAHAN, 0000
PAUL T. CALVERT, 0000
*DONNA R. CAMPBELL, 0000
*JENNIFER K. CAMPBELL, 0000
TERESA L. CAMPBELL, 0000
*MATTHEW M. CANFIELD, 0000
*DAVID M. CANNON, 0000
JOSEPH A. CAPOBIANCO, 0000
*WILLIAM F. CARBERRY, 0000
DOUGLAS C. CARDINALE, 0000
*SARAH A. CAREY, 0000
CHRISTOPHER B. CARLILE, 0000
*TORI R. CARLILE, 0000
MICHAEL A. CARLINO, 0000
FLOYD W. CARLSON, 0000
*JAY D. CARLSON, 0000
DUANE T. CARNEY, 0000
JAMES D. CARPENTER, 0000
BADEAH F. CARROLL, 0000
*KEITH A. CARROLL, 0000
*MARTIN V. CARROLL, 0000
RICHARD C. CARROLL, JR., 0000
*CHARLES A. CARTER, 0000
*JOY W. CARTER, 0000
ROCKY L. CARTER, 0000
WALTER L. CARTER, JR., 0000
*CHRIS N. CARVER, 0000
*WILLIAM S. CASEY, 0000
TANYA I. CASEYREINHARDT, 0000
MICHAEL J. CASHNER, 0000
KENT P. CASSELLA, 0000
*PETER A. CATANESE, 0000
*BRIAN M. CAVANAUGH, 0000
*RUSSELL D. CAVIN, 0000
*PAUL A. CHAMBERLAIN, 0000
ZANE D. CHAMBERS, 0000
ESTHER E. CHAMBLISS, 0000
KATHLEEN T. CHANDLER, 0000
DAVID P. CHAPMAN, 0000
*DAVID W. CHASE, 0000
JOSEPH M. CHATFIELD, 0000
*KENNETH M. CHATMAN, 0000
MARTY P. CHAVERS, 0000
*JOHN R. CHAVEZ, 0000
WAYNE G. CHERRY, JR., 0000
EDWARD J. CHESNEY, 0000
MATTHEW G. CHESNEY, 0000
KEMP L. CHESTER, 0000
*ERIK K. CHRISTENSEN, 0000
GEORGE N. CHRISTENSEN III, 0000
KAREN M. CHRISTRUP, 0000
*JORDAN S. CHROMAN, 0000
NICHOLAS P. CHRONIS, 0000
JASON A. CHUNG, 0000
*KIM T. CINCOTTI, 0000
*RONALD G. CLAIBORNE, 0000
*ALICIA A. CLARK, 0000
RONALD P. CLARK, 0000
*WILLIAM E. CLARK, JR., 0000
GAIL C. CLARKE, 0000
STEPHEN G. CLEVELAND, 0000
*WILLIAM F. CLINEFELTER, 0000
DAVID R. CLONTS, 0000
*THOMAS J. CLOSS, 0000
*CAESAR D. COBB, 0000
*JOHN R. COBB, JR., 0000
*PHILANDER L. COCHRAN, 0000
KENNETH G. COCKERHAM II, 0000
*ROD A. COFFEY, 0000
CARL R. COFFMAN, JR., 0000
*JOSEPH W. COFFMAN, JR., 0000
*MICHAEL J. COLARUSSO, 0000
*RUSSELL E. COLE, 0000
*MATTHEW B. COLEMAN, 0000
*WILLIAM E. COLLIGAN, 0000
*JAMES L. COLLINS, 0000
JULIE A. COLLINS, 0000
*WILLIE P. COLLINS, 0000
*CHRISTOPHER M. COLOMBO, 0000
KEVIN C. COLYER, 0000
*DARREN R. COMPTON, 0000
*GERALD H. COMPTON, 0000
JEFFREY L. CONN, 0000
*MICHAEL F. CONNELLY, 0000
CHARLES T. CONNETT, 0000
PATRICK E. CONNORS II, 0000
WILLIAM D. CONWELL, 0000
*TODD Z. CONYERS, 0000
DONALD M. COOK, 0000
JOHN A. COOPER, 0000
*PETER J. COOPER, 0000
THOMAS R. COOPER, 0000
MICHAEL D. COPENHAVER, 0000
LYLE T. CORDER, 0000
DANIEL R. COREY, 0000
ROBERT M. CORNEJO, 0000
JOHN R. CORNELIO, 0000
*JOHN T. CORNELIUS, JR., 0000
JOEL W. CORNELL, 0000
SEAN J. CORRIGAN, 0000
*STEVEN C. CORSELLO, 0000
*MICHAEL E. CORSON, 0000
ANGELA L. COTTON, 0000
*JOSEPH F. COUGHLIN, 0000
*JOHN M. COURTNEY, 0000
*CONSTANCE M. COVINGTON, 0000
*SPENCER T. COWAN, 0000
CARL W. COWEN, 0000
CHARLES B. COX, 0000
CHRISTOPHER K. COX, 0000
BROCK W. CRABTREE, 0000
*CHRISTOPHER E. CRATE, 0000
MARY C. CRAVEN, 0000
*DARRYL A. CRAWFORD, 0000
*PETER D. CREAN, 0000
GREGORY S. CREECH, 0000
*GERARD H. CRIBB, 0000
ORLANDO D. CRITZER, 0000
*BENJAMIN D. CROCKETT, 0000
*CHRISTOPHER D. CROFT, 0000
*JEFFERY R. CROMWELL, 0000
CHRISTOPHER G. CROSS, JR., 0000
MICHAEL E. CROWELL, 0000
MARY K. CRUSAN, 0000
RICHARD A. CRUSAN, 0000
JEFFREY L. CULLEN, 0000
DANIEL J. CUNNINGHAM, 0000
HARRY L. CUNNINGHAM, 0000
*PHILIP D. CURETON, 0000
KENNETH D. CURTIS, 0000
SCOTT D. CUSTER, 0000
WILLIAM E. DAHLBERG, 0000
JOHN S. DAILEY, 0000
*STEVEN DAKNIS, 0000
*EUGENE A. DANIELS, 0000
DAVID A. DANIKOWSKI, 0000
*DIANE K. DANNELLY, 0000
*TIMOTHY J. DAUGHERTY, 0000
DAVID S. DAVIDSON, 0000
*FRANCIS J. DAVIDSON, 0000
JOHN W. DAVIDSON III, 0000
*ROSS E. DAVIDSON, 0000
*CHARLES E. DAVIS, 0000
DAVID M. DAVIS, 0000
*ERIC A. DAVIS, 0000
*JAMES B. DAVIS, 0000
KATHERINE S. DAVIS, 0000
LANCE E. DAVIS, 0000
LAURA K. DAWSON, 0000
STEVEN G. DEAN, 0000
*ANNIE K. DEAR, 0000
PAUL L. DECECCO, 0000
KENNETH I. DECKER, 0000
PATRICK C. DEDHAM, 0000

EDWIN J. DEEDRICK, JR., 0000
*ROBERT J. DEHAAN, 0000
JOHN C. DEJARNETTE III, 0000
ROSSO D. DEL, 0000
DOUGLAS J. DELANCEY, 0000
DANIEL V. DELEON, 0000
SEAN T. DELLER, 0000
*EUGENE DELOACH, SR., 0000
*JUAN A. DELOSSANTOS, 0000
*WILLIAM L. DEMALADE, 0000
JAMES R. DEMOSS, 0000
SHEILA C. DENHAM, 0000
*MICHAEL P. DERADDO, 0000
EDWARD V. DESHIELDS, JR., 0000
*JAMES M. DESJARDIN, 0000
DAVID W. DETATA, 0000
THOMAS E. DETRICK, 0000
KEITH A. DETWILER, 0000
MARGARET S. DEVEREUX, 0000
EUGENE J. DEVINE III, 0000
MISOU T. DEWEESE, 0000
*DAVID J. DEWELL, 0000
*JAMES C. DIAZ, 0000
RICARDO F. DIAZJIMENEZ, 0000
*THOMAS J. DICANDIDO, 0000
KEVIN E. DICE, 0000
*HARBAUGH D. DICICCIO, 0000
*CHARLES A. DICKENS, 0000
*KAILON G. DICKENS, 0000
SERGIO M. DICKERSON, 0000
WILLIAM C. DICKEY, 0000
CRAIG M. DICKINSON, 0000
*ARTHUR E. DIETZ, 0000
*JAMES E. DIGGS, 0000
RICK A. DIGGS, 0000
*JOHN D. DILL, 0000
*JAMES M. DILLARD, 0000
*GEORGE E. DILLON, JR., 0000
*HEINZ P. DINTER, JR., 0000
GERALD R. DIOTTE, JR., 0000
DOUGLAS A. DISINGER, 0000
*GARY W. DITTERLINE, 0000
DAVID J. DLUZYN, 0000
RONALD C. DODGE, JR., 0000
*ALFRED C. DODSON, 0000
JAMES E. DODSON, 0000
DANIEL R. DOLWICK, 0000
PATRICK J. DONAHOE, 0000
STEVEN L. DONALDSON, 0000
JAMES J. DONLON, 0000
*JAMES A. DONNELLY, 0000
MICHAEL O. DONNELLY, 0000
*MICHAEL P. DONOVAN, 0000
THOMAS T. DORAME, 0000
KEVIN J. DOSKI, 0000
JOEL C. DOTTERER, 0000
GRANT R. DOTY, 0000
*FRANK S. DOUGHERTY, 0000
*CALVIN D. DOWNEY, 0000
*ROYAL J. DOWNS, 0000
THOMAS M. DOWNS, 0000
PATRICK O. DOYLE, 0000
KEVIN P. DRAGNETT, 0000
*REGINA K. DRAPER, 0000
BRADLEY K. DREYER, 0000
*SHAWN T. DRISCOLL, 0000
FREDERIC A. DRUMMOND, JR, 0000
THEODORE D. DUGONE, 0000
*ROBERT E. DUKE, 0000
BRIAN P. DUNN, 0000
*MARGARET L. DUNN, 0000
*MICHAEL R. DUNNING, 0000
JAMES F. DUSENBERRY III, 0000
*MICHAEL J. DVORACEK, 0000
MICHAEL K. DYE, 0000
MICHAEL O. EAST, 0000
DUANE P. EASTER, 0000
FRED R. EASTWOOD III, 0000
*DAVID A. EAVES, 0000
DARWIN D. EBELING, 0000
GREGORY R. EBNER, 0000
*JEFFREY A. ECK, 0000
*BRIAN H. EDHOLM, 0000
VANCE A. EDWARDS, 0000
LOREN G. EGGEN, 0000
BRENDA K. EISEMAN, 0000
MARK A. ELLIOTT, 0000
*RICHARD F. ELLIS, 0000
KIMBERLY A. ENDERLE, 0000
WILLIAM T. ENGLISH, 0000
THEODORE M. EPPLE, 0000
SVEN C. ERICHSEN, 0000
FREDERICK J. ERST, 0000
RICK A. ERWAY, 0000
JOHN M. ERWIN, 0000
JOSE A. ESPINOSA, 0000
*ALLEN S. ESTES, 0000
*ANTHONY O. EVANS, 0000
JOHN R. EVANS, JR., 0000
CARL S. EY, 0000
SCOTT D. FABIAN, 0000
ROBERT P. FABRIZZIO II, 0000
SAMUEL P. FAGONE, JR., 0000
*PHILLIP J. FAIETA, 0000
DONALD G. FALLIN, 0000
ROBERT L. FANELLI, JR., 0000
ANTHONY P. FARRIS, 0000
*ROBERT G. FAUSTI, 0000
*SHAWN P. FEIGENBAUM, 0000
DUSAN L. FENNER, 0000
MICHAEL R. FENZEL, 0000
CHARLES P. FERRY, 0000
WILLIAM E. FIELD, 0000
EDWARD G. FILLER, 0000
*ROBERT F. FINN, JR., 0000
JAMES C. FISCHER, 0000
STEVEN T. FISCHER, 0000
CHARLES A. FISH, 0000
*MICHAEL P. FISHER, 0000
WILLIAM O. FISHER, 0000
DAVID P. FITCHITT, 0000
VICTORIA V. FLACK, 0000
THOMAS P. FLANDERS, 0000
*DWAINE FLANNAGAN, 0000
EDWARD R. FLEMING, 0000
*JEFFREY FLETCHER, 0000
VIRGIL H. FLINK, 0000
*JEFFREY L. FLINT, 0000
RODNEY D. FOGG, 0000
WADE A. FOOTE, 0000
CHRISTOPHER S. FORBES, 0000
RONNIE E. FORD, 0000
*JOSEPH F. FORLENZA, 0000
EDWARD M. FORTUNATO, 0000
*MATTHEW J. FOSTER, 0000
DENNIS A. FOX, 0000
THEODORE J. FOX, 0000
*MICHAEL L. FRANCK, 0000
GEORGE H. FRANCO, 0000
PATRICK D. FRANK, 0000
*BRENTON K. FRASER, 0000
STEVAN J. FRENCH, 0000
*HARRY M. FRIBERG, 0000
ROBERT E. FRIEDENBERG, 0000
KENNETH H. FRITZSCHE, 0000
JEFFREY D. FROM, 0000
*GARLAND M. FROST, 0000
JACK J. FRUITMAN, 0000
*ALTON D. FRY, 0000
WALTER D. FRYE, 0000
*CRISLER A. FUCCI, 0000
*MATTHEW T. FUHRER, 0000
STEVEN R. FUSINETTI, 0000
*JOSE A. GABILONDO, JR, 0000
*JAMES F. GADD, 0000
GREGORY D. GADSON, 0000
*ROY Y. GAGAZA, 0000
*JUSTIN C. GAGE, 0000
JAMES J. GALLAGHER, JR., 0000
JAMES C. GALLUP, 0000
ANTONIO GARCIA, 0000
VICTORIANO GARCIA, JR., 0000
ERIC L. GARDNER, 0000
*JEFFERY. GARLAND, 0000
WILLIAM A. GARLAND, 0000
TODD GARLICK, 0000
*PETER S. GARNER, 0000
GEORGE T. GARRELL, 0000
JAMES E. GARRISON, 0000
BRIAN K. GATES, 0000
BRADLEY D. GAVLE, 0000
HEIDI L. GEBHARDT, 0000
GREGORY A. GEHLER, 0000
JOHN A. GEORGE, 0000
BRADLEY T. GERICKE, 0000
TODD M. GESLING, 0000
MICHAEL A. GETCHELL, 0000
*WILLIAM M. GIAMMARESE, 0000
RICHARD T. GIBBONS, 0000
*KENT K. GIBSON, 0000
RICHARD D. GILLEM, JR., 0000
MICHAEL J. GILLETTE, 0000
*DONALD P. GILLILAND, 0000
CATHERINE E. GILLUND, 0000
LEE P. GIZZI, 0000
KIMBERLY S. GLASSFORD, 0000
SIMON R. GOERGER, 0000
JOHN C. GOETZ II, 0000
*MAX R. GOINS, 0000
DANIEL P. GOLDTHORPE, 0000
JESUS F. GOMEZ, 0000
FRANK J. GONZALES, 0000
*IVAN R. GONZALEZ, 0000
*DANIEL W. GOODALE, 0000
HERMAN GOODEN, JR., 0000
*STEVEN H. GOODROAD, 0000
*ADRIAN E. GOOLSBY, 0000
GERALD M. GORDNER II, 0000
*DEXTER A. GORDON, 0000
*JOHN K. GORDON, 0000
*FREDERICK C. GOTTSCHALK, 0000
*ROBERT E. GOWAN, 0000
DONALD E. GRAHAM, 0000
JACKSON C. GRAHAM III, 0000
*RAMONA T. GRAHAM, 0000
*WILLIAM H. GRAHAM, JR, 0000
ANDREW L. GRANTHAM, 0000
*BRADLEY W. GRAUL, 0000
GREGORY H. GRAVES, 0000
CARL G. GREBE, 0000
*SHARON D. GREEN, 0000
*CRAIG M. GREENE, 0000
*ERNEST M. GREENE, JR, 0000
*IAN N. GREENE, 0000
SANDRA M. GREENE, 0000
JOHN H. GREENMYER III, 0000
*JEFFREY H. GREESON, 0000
JAMES D. GREGORY, 0000
*KEVIN H. GRIFFIN, 0000
TRAVIS S. GRIGG, 0000
*WARREN C. GRIGGS, 0000
*FRANCIS D. GRIMM, 0000
HEIDI L. GRIMM, 0000
MARIE C. GRIMMER, 0000
CHRISTIAN B. GRINSELL, 0000
JOHN F. GRITTMAN, 0000
PAUL D. GRONBECK, 0000
DAVID L. GROSSO, 0000
*LEON M. GRUBE, 0000
STUART J. GUBLER, 0000
RICHARD K. GUFFEY, 0000
DANIEL J. GUILFORD, 0000
WILLIAM W. GUM, 0000
*TODD W. GUSTAFSON, 0000
*MARSHALL A. GUTIERREZ, 0000
MAX F. GUTIERREZ, JR., 0000
*ANTHONY E. HAAGER, 0000
*BARRY V. HADLEY, 0000
*VICTOR S. HAGAN, 0000
*JEFFREY E. HAGER, 0000
RODNEY T. HAGGINS, 0000
ERIC D. HAIDER, 0000
*CHRISTOPHER S. HAIGH, 0000
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MICHAEL J. PRICE, 0000
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JOSE A. PRINCIPE, 0000
*JAMES M. PROCTOR, JR., 0000
JAMES D. PRUNESKI, 0000
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*STANLEY H. PUSTARFI, 0000
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ROBERT A. REEVES, 0000
TOIMU A. REEVES II, 0000
MYRON J. REINEKE, 0000
*MARLIN L. REMIGIO, 0000
TIMOTHY W. RENSHAW, 0000
DAVID B. RESLER, 0000
*EVERETT C. REVELL, JR., 0000
HUGO E. REYES, 0000
RICHARD M. REYNO, 0000
*JAMES R. REYNOLDS, 0000
*JAMES M. RHAESA, 0000
RICHARD A. RHEINSMITH, 0000
*JULIE K. RHEN, 0000
FREDERICK L. RICE, 0000
PHILIP D. RICE, 0000
CLYDE E. RICHARDS, JR., 0000
*CHRISTOPHER A. RICHARDSON, 0000
MICHAEL W. RICHARDSON, 0000
WILLIAM L. RICHARDSON, 0000
*JEROME M. RICKER, 0000
DARRIN C. RICKETTS, 0000
MARK L. RIDLEY, 0000
*EDWARD C. RIEHLE, 0000
*DALE S. RINGLER, 0000
MATTHEW RIORDAN, 0000
ANDREW J. RISKO II, 0000
*THOMAS A. RIVARD, 0000
ALBERTO RIVERA, 0000
BRYAN K. ROBBINS, 0000
*JOHN P. ROBERTS, 0000
PAUL J. ROBERTS, 0000
*BENJAMIN G. ROBERTSON, 0000
*BEVERLEY J. ROBERTSON, 0000
*REID A. ROBERTSON, 0000
ALEX N. ROBINSON, 0000
JAMES O. ROBINSON, JR., 0000
*JEFFREY F. ROBINSON, 0000
*JOHN M. RODDY, 0000
*EDWARD T. RODEN, 0000
DARRIN H. RODESCHIN, 0000
MILTON O. RODRIGUEZ, 0000
BRIAN M. ROGERS, 0000
*ELIZABETH B. ROGERS, 0000
*STUART K. ROGERS, 0000
THOMAS J. ROGERS, 0000
STEVEN L. ROHLENA, 0000
FREDRIC W. ROHM, JR., 0000
*JAMES D. ROLAND, 0000
*JOHN G. ROMERO, 0000
PETER L. ROOKS, 0000
JOHN C. ROONEY, 0000
RICHARD D. ROOT, 0000
*CHRISTOPHER J. ROSCOE, 0000
ANDREW L. ROSE, 0000
JAMES K. ROSE, 0000
*JOHN E. ROSEBOROUGH, 0000
JOSE ROSS, 0000
LUZ ROSS, 0000
*KAREN R. ROSSER, 0000
*DEREK R. ROUNTREE, 0000
CURTIS J. ROYER, 0000
STACY L. RUBLE, 0000
ALVIN RUIZ, 0000
MICHEL M. RUSSELL, SR., 0000
*RHETT C. RUSSELL, 0000
*ROBERT R. RUSSELL, JR., 0000
BRIAN D. RUSSO, 0000
LEO J. RUTH II, 0000
DIANE M. RYAN, 0000
*JAMES R. RYAN, 0000
*MAUREEN E. RYAN, 0000
*NESTOR A. SADLER, 0000
MARK H. SALAS, 0000
GEORGE J. SALERNO, 0000
THOMAS A. SALO, 0000
*DAVID E. SALTER, 0000
CHARLES P. SAMARIS, 0000
*ERIC L. SANCHEZ, 0000
*DAVID J. SANDERS, 0000
*JOHN A. SANDERS, 0000
*SHERARD D. SANDERS, 0000
*TRAVIS E. SANDERS, 0000
CHRISTINE C. SANDOVAL, 0000
*LE T. SANFORD, 0000
PAUL S. SARAT, JR., 0000
*GARY F. SARGENT, 0000
FLOSSIE J. SATCHER, 0000
STUART D. SAULPAUGH, 0000
*RALPH E. SAUNDERS, 0000
*MICHAEL R. SAYERS, 0000
*WINFRIED E. SCHEEL, 0000
MICHAEL G. SCHELLINGER, 0000
JAMES R. SCHENCK, 0000
CLAY S. SCHERER, 0000
TED J. SCHJOTH, 0000
SANDE J. SCHLESINGER, 0000
*PAUL G. SCHLIMM, 0000
JAMES D. SCHMITT, 0000
MATTHEW C. SCHNAIDT, 0000
*MARCEL A. SCHNEIDER, 0000
BRAD L. SCHONEBOOM, 0000
*ANDREW R. SCHOTT, 0000
JOHN E. SCHOTZKO, 0000
SCOTT A. SCHRINER, 0000
*CARMEN X. SCHROCK, 0000
GERHARD P. SCHROTER, 0000
*RICHARD M. SCHULTZ, 0000
JAY R. SCHUNEMAN, 0000
STEVEN R. SCHWAIGER, 0000
*ARTICE SCOTT, 0000
THOMAS A. SEAGRIST, 0000
*GREG L. SEARS, 0000
*JOSEPH W. SECINO, 0000
*JEFFREY B. SEELY, 0000
JON K. SEGARS, 0000
MARK M. SEIDLER, 0000
*THOMAS W. SEIFERT, 0000
DAVID T. SEIGEL, 0000
DANIEL E. SELLERS, 0000
*PATRICIA A. SELLERS, 0000
*TIMOTHY F. SELPH, 0000
JOHN E. SENA, JR., 0000
*ROY C. SEVALIA, 0000
*WILLIAM R. SEVER, 0000
JOHN M. SEXTON, 0000
*MARK S. SHAABER, 0000
MARK E. SHANKLE, 0000
*JOHN E. SHANKLIN, 0000
JAMES C. SHARKEY, 0000
CHRISTOPHER J. SHARPSTEN, 0000
JOHN B. SHATTUCK, JR., 0000
JAMES P. SHAVER, 0000
KRISADA J. SHAW, 0000
RICHARD A. SHAW, 0000
*JOHN M. SHECKLER, 0000
WILLIAM H. SHEEHY, 0000
*CLAYTON O. SHEFFIELD, 0000
*GEORGE A. SHELL, 0000
TEDDY T. SHELTON II, 0000
*DEMETRIUS D. SHEPPARD, 0000
*KELLY J. SHERE, 0000
*CHRISTINE L. SHERMAN, 0000
*RONALD B. SHIELDS, 0000
MICHAEL J. SHINNERS, 0000
*JAC W. SHIPP, 0000
*TIMOTHY D. SHOWERS, 0000
*DAVID A. SHUGART, 0000
RONALD J. SHUN, 0000
JON L. SHUPENUS, 0000
*JAMES K. SICKINGER, 0000
*VAN R. SIKORSKY, 0000
MICHAEL E. SILVERMAN, 0000
DAVID L. SILVERNAIL, 0000
ROBERT P. SIMELARO, 0000
SARA V. SIMMONS, 0000

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KELLY K. SIMPSON, 0000
MICHAEL W. SIMPSON, 0000
MICHAEL J. SINNEMA, 0000
*THOMAS E. SIROIS, 0000
ERNESTO L. SIRVAS, 0000
GERALD R. SKAW, 0000
*JAMES A. SKELTON, 0000
JOHN T. SKINNER, 0000
*JOEL J. SLAGLE, 0000
*SCOTT A. SLATEN, 0000
*AVANULAS R. SMILEY, 0000
*BARNEY I. SMITH III, 0000
*GARY M. SMITH, 0000
JULIUS H. SMITH, 0000
MARK N. SMITH, 0000
*MCCOY C. SMITH, 0000
RANDY J. SMITH, 0000
RAYMOND C. SMITH, 0000
*STEPHEN G. SMITH, 0000
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*MATTHEW J. SMOLECKI, 0000
DAVID A. SMOOT, 0000
NICHOLAS R. SNELSON, 0000
*DAVE F. SNIDER, 0000
DAVID B. SNODGRASS, 0000
*DEBORAH L. SNYDER, 0000
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*MICHAEL C. SNYDER, 0000
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*GREGORY P. SOLEM, 0000
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*MARKHAM R. SOROKA, 0000
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*JACK R. SPARKS, 0000
BRYAN N. SPARLING, 0000
*ELMER SPEIGHTS, JR, 0000
DAVID L. SPENCER, 0000
*JACK R. SPIELMAN, 0000
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*THOMAS E. STACKPOLE, 0000
*ALBERT C. STAHL, 0000
JAMES R. STALEY, 0000
*RALPH T. STANDBROOK, 0000
*RANDALL L. STAPFER, 0000
MURRAY P. STARKEL, 0000
*ALAN T. STATHAM, 0000
*EDWARD J. STAWOWCZYK, 0000
*JOHN D. STEELE, 0000
RANDI J. STEFFY, 0000
*ROBERT W. STEIGERWALD, JR, 0000
ROBERT T. STEIN, 0000
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*BRUCE A. STEPHENS, 0000
GARY D. STEPHENS, 0000
*JERRY D. STEPHENS, 0000
*JEFFREY A. STERLING, 0000
*MICHAEL F. STERRETT, 0000
RANDY G. STEVENS, 0000
*THEODORE STEVENSON, JR, 0000
*BRYAN A. STEWART, 0000
*JEFFREY A. STEWART, 0000
JOHN E. STEWART, 0000
*TERRY C. STJOHN, 0000
MARK L. STOCK, 0000
KEVIN P. STODDARD, 0000
STEVEN A. STODDARD, 0000
EMILLY M. STOFFEL, 0000
*DANIEL E. STOLTZ, 0000
*PATRICIA L. STOLZ, 0000
*JOHN M. STONE, 0000
PAUL E. STOTE, 0000
*WILLIAM R. STOWMAN, 0000
TIMOTHY J. STRANGE, 0000
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*CAROL L. STRONG, 0000
*ADAM N. STROUP, 0000
*JOHN J. STRYCULA, 0000
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*LINDA H. STUART, 0000
ROBIN L. STUART, 0000
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JOHN A. STYER, 0000
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*ZEYAD M. SUQI, 0000
*DONALD P. SUTTON, 0000
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*JOHN H. TAO, 0000
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*MICHAEL A. TATE, 0000
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*JOEL C. TAYLOR, 0000
*WILLIAM J. TAYLOR, 0000
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RICHARD A. TEOLIS, 0000
REGINALD TERRY, 0000
GERARD P. TERTYCHNY, 0000
MICHAEL T. TETU, 0000
DEBORA L. THEALL, 0000
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*CATHY J. THOMAS, 0000
GEORGE K. THOMAS, 0000
*LEMUEL A. THOMAS, JR, 0000
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ANDREA L. THOMPSON, 0000
*JOHN W. THOMPSON, 0000
*JASON H. THORNTON, 0000
*ROBERT L. THROWER, 0000
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WILLIAM D. THURMOND, 0000
*JOHN A. THURSTON, 0000
*DAVID O. TIEDEMANN, 0000
*RICHARD J. TIERNEY, 0000
*RICKY L. TILLOTSON, 0000
DANNY F. TILZEY, 0000
*MICHAEL W. TINGSTROM, 0000
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JAY L. TOWNSEND, 0000
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MICHAEL R. TUTTLE, 0000
JOEL K. TYLER, 0000
*PATRICK C. TYNAN, 0000
*PAUL B. TYRRELL, 0000
ANDREAS S. ULRICH, 0000
JEFFREY L. URIBE, 0000
WILLIAM T. UTROSKA, 0000
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ERIK VALENTZAS, 0000
DYKE L. VAN, 0000
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*KRISTINA E. VANNEDERVEEN, 0000
*MICHAEL A. VANPUTTE, 0000
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*RONALD A. VENEGAS, 0000
*KEVIN VEREEN, 0000
*NORBERT E. VERGEZ, 0000
*ARLESTER VERNON, JR, 0000
WILLIAM M. VERTREES, 0000
*JEFFERY L. VESTAL, 0000
KENNETH E. VIALL, 0000
JASON R. VICK, 0000
JOHN A. VIGNA, 0000
SHURMAN L. VINES, 0000
*DEAN VLAHOPOULOS, 0000
*RICHARD L. VOLBERDING, 0000
VAN J. VOORHEES, 0000
NICHOLAS J. VOZZO, 0000
*THOMAS L. WAILD, JR, 0000
CHRISTOPHER E. WALACH, 0000
*DAVID D. WALDEN, 0000
*DAVID W. WALKER, 0000
*HERMAN H. WALKER, 0000
CLINTON J. WALLINGTON III, 0000
*PAUL R. WALTER, 0000
*SHAWN C. WALTERS, 0000
JOHN L. WARD, 0000
*RICHARD C. WARD, 0000
*BRADLEY C. WARE, 0000
*ROBERT E. WARING, 0000
WILLIAM S. WARNER, 0000
KEVIN C. WARREN, 0000
PAUL S. WARREN, 0000
TARN D. WARREN, 0000
JOHN W. WASHBURN, 0000
* GAIL L. WASHINGTON, 0000
* STACEY S. WASHINGTON, 0000
NATHAN K. WATANABE, 0000
* CHARLES J. WATSON, 0000
* KIRBY E. WATSON, 0000
ROBERT L. WATSON, JR., 0000
* ANDREW J. WEATE, 0000
BENJAMIN E. WEBB, 0000
SHAWN C. WEED, 0000
* DOUGLAS M. WEINER, 0000
* MARK J. WEINERTH, 0000
* MARK E. WEIR, 0000
JAMES W. WELFORD, 0000
CHARLES A. WELLS, 0000
LEONARD E. WELLS, 0000
ERIC M. WELSH, 0000
ROBERT H. WELSH, 0000
* THOMAS R. WETHERINGTON, 0000
* THOMAS G. WHARTON, 0000
* ARIC S. WHATLEY, 0000
CLIFFORD E. WHEELER, JR., 0000
* RICHARD S. WHEELER, 0000
JOSEPH F. WHELAN, 0000
BILLY J. WHELCHEL, 0000
GREGORY A. WHITE, 0000
INES N. WHITE, 0000
JERRY A. WHITE II, 0000
RICHARD E. WHITE, 0000
DANIEL W. WHITNEY, 0000
* RYAN J. WHITTINGTON, 0000
* JOSEPH E. WICKER, 0000
* TIMOTHY F. WIDMOYER, 0000
CLAYTON C. WIENECKE, 0000
DAVID J. WILBERDING, 0000
* LIONEL V. WILBURN, 0000
KENNETH S. WILDER, 0000
* JEFFREY R. WILEY, 0000
PAUL J. WILLE, 0000
* STEPHEN T. WILLHELM, 0000
* ALFORD J. WILLIAMS, 0000
* BARRY K. WILLIAMS, 0000
* DAVID A. WILLIAMS, 0000
* DWAYNE WILLIAMS, 0000
* THOMAS C. WILLIAMS, 0000
THOMAS F. WILLSON, 0000
* BLANE C. WILSON, 0000
* RICHARD A. WILSON, 0000
* VERONICA A. WILSON, 0000
* TRACY L. WINBORNE, 0000
DENNIS M. WINCE, 0000
BRIAN E. WINSKI, 0000
* MARK D. WINSTEAD, 0000
ANTHONY A. WIRTH, 0000
* GARY D. WIRTZ, 0000
STEPHEN D. WISE, 0000
DAVID D. WISYANSKI, 0000
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ERIC L. WITHERSPOON, 0000
DAVID M. WITTEVEEN, 0000
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* WILLIAM S. WOESSNER, 0000
* CHRISTOPHER F. WOLFE, 0000
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DAVID J. WOODS, 0000
* MICHAEL P. WRIGHT, 0000
* STEPHEN S. WURFEL, 0000
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* RICHARD G. ZOLLER, 0000