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House of Representatives

The House was not in session today. Its next meeting will be held on Tuesday, April 24, 2001, at 2 p.m.

Senate

FRIDAY, APRIL 6, 2001

The Senate met at 9:30 a.m. and was called to order by the Honorable SAM BROWNBACK, a Senator from the State of Kansas.

PRAYER

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

Dear God, our Creator, Sustainer, loving heavenly Father, it is awesome to us that You have chosen, called, and commissioned us to be Your blessed people. We thank You for the times we trusted You and received Your blessings of wisdom, strength, and determination. Now hear our longing to know and do Your will in the final negotiations on the budget. There is so much on which we do agree; show us how to come to creative compromise in the issues on which we do not agree.

Give us clear heads and trusting hearts. May we earn a new confidence from the American people by the way we press on expeditiously and with excellence. Now we commit ourselves anew to You. With confidence we thank You in advance for a successful day of debate on the issues before us. When votes are counted may we neither be grim over defeat nor gloat over victory but pull together as Americans who put You and our Nation's good above all else. In Your all-powerful name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable SAM BROWNBACK led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 6, 2001.

To the Senate:

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

STROM THURMOND,
President pro tempore.

Mr. BROWNBACK thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

SCHEDULE

Mr. DOMENICI. Mr. President, today the Senate will immediately resume consideration of the final amendments to the budget resolution. There will be 2 minutes of debate prior to a vote on any of the amendments proposed.

There are, for the information of Senators, between 30 and 40 amendments to be considered during today's session. We are working with Senators on both sides to see which amendments can be accepted, which will require rollcall votes, and perhaps which we will not be required to take action on at all.

Senators should be aware that all votes after the first vote will be limited to 10 minutes. Therefore, Members should stay in the Chamber if possible between votes. We are working to vote on final passage by 2:30 or 3 p.m.

I thank my colleagues for their attention.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we have looked at the amendments overnight. We still have 42 amendments pending. Between the two sides we have 42 amendments pending. That does not count the leadership wrap-up amendments or the debate on those amendments. So realistically we would be talking about 16 hours of straight voting unless we are able to find some give in the good hearts of our colleagues. I am going to turn to my side of the aisle and urge colleagues on my side to please relent in the interest of getting the business of the Senate done on this budget resolution.

Senator REID and I have gone to our colleagues and asked them to please refrain from pushing their amendment to

a vote. We understand every Senator has a right to take his or her amendment to a vote, but if everyone insists on their absolute right, we are going to be here 16 hours. Truthfully, it would probably be more than that because we have not been able to do three votes an hour.

That is the reality of the situation we confront. We urge our colleagues to try to work with us as the morning proceeds and to reduce amendments.

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

Mr. CONRAD. I am happy to yield.

Mr. WELLSTONE. Just for the record, would the Senator do me the favor of emphasizing this amendment dealing with veterans' health care benefits is an amendment from yesterday? I have, indeed, withdrawn my other two amendments, just so colleagues will know that. Will the Senator amplify that?

Mr. CONRAD. I am pleased to say the amendment of the Senator from Minnesota was actually scheduled for last night for a vote and it was held over because of a parliamentary situation that developed last evening. So I am not making this request of the Senator from Minnesota. He has been patient. He has been one who has cooperated and dropped amendments, which we appreciate very much.

I thank the Chair and yield the floor.

Does the chairman wish we go to a quorum call or go to the vote?

Mr. DOMENICI. Mr. President, let me suggest we have three or four Senators we want to talk with on the phone. We may significantly change our numbers. We do not have anything like those—we are one-third of your number or one-fourth.

I believe we ought to proceed. I believe Senator BOND is ready on our side with a second-degree.

Mr. LEAHY. Mr. President, what is the parliamentary situation? I understood we were going to have votes at 9:30?

Mr. DOMENICI. We are ready to go. We will get an amendment up and be ready to go.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 2001—2011

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H. Con. Res. 83, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.)

Pending:

Domenici amendment No. 170, in the nature of a substitute.

Motion to reconsider the vote by which Harkin amendment No. 185 (to amendment No. 170) was agreed to.

Wellstone amendment No. 269 (to amendment No. 170) to increase discretionary funding for veterans' medical care by $1.718 billion in 2002 and each year thereafter to ensure that veterans have access to quality medical care.

AMENDMENT NO. 269

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 2 minutes for debate on the Wellstone amendment No. 269.

Mr. LEAHY. I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Mr. WELLSTONE. Colleagues, this amendment adds $1.7 billion to the veterans' health care budget over the next 10 years. The President's budget proposal is a terrible proposal; it leaves so many gaps, there is no question about it. This amendment has the support of AMVETS, VFW, Paralyzed Veterans, Disabled American Veterans, and many colleagues have signed on to it. I especially thank Senator JOHNSON and Senator ROCKEFELLER.

The problem is between $900 million of medical inflation and then the commitment we made to elderly veterans with the Millennium Program and the commitment for mental health services, hepatitis C, and the commitment to treat veterans who have no health care coverage, this is totally inadequate.

This is not a game. If we are committed to veterans, you are going to vote for this amendment. This really does deal with some of the unmet needs. There are amendments that can come in with less funding, but this is the only way we say thank you to veterans. It is extremely important. I can't think of any more important vote from the point of view of working with a very, very important group of people.

The ACTING PRESIDENT pro tempore. Who seeks time?

Mr. BOND. Mr. President, I yield myself 1 minute on this side to respond to the comments of the proponent of the underlying amendment.

AMENDMENT NO. 351

Mr. President, I send a second-degree amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 351.

Mr. BOND. 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:

(Purpose: Increase Veterans discretionary spending for FY02)

On page 36, line 6, increase the amount by $967,000,000.

On page 36, line 7, increase the amount by $967,000,000.

On page 43, line 15, decrease the amount by $967,000,000.

On page 43, line 16, decrease the amount by $967,000,000.

On page 48, line 8, increase the amount by $967,000,000.

On page 48, line 9, increase the amount by $967,000,000.

Mr. BOND. Mr. President, this underlying amendment, as others before and after, chips away at the tax relief package proposed by the President. All citizens, including our veterans, deserve tax relief. This amendment that I have just offered on behalf of Senator DOMENICI would increase veterans' discretionary spending for the coming year by almost $2 billion, including a $1.7 billion increase for medical care. This is the highest increase ever; this is the first increase in recent years.

Let me make a point that the President's budget request for VA is an excellent one. This body should recall from previous years that the prior administration proposed to freeze veterans' medical care with no increase at all.

This amendment also provides the highest increase ever for the Veterans' Benefit Administration, where a backlog of claims continues to mount. This is a problem that the prior administration refused to address.

Finally, this amendment does not assume spending beyond fiscal year 2002 because VA has a new administration, new management, and a massive strategic review.

I urge support of the second-degree amendment.

AMENDMENT NO. 269

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President and colleagues, please follow the arithmetic. The President's budget is opposed by so many veterans organizations.

With $1 billion for the whole VA budget, medical inflation alone is $900 million. We passed a millennium bill with a commitment to elderly veterans with another $100 million. We talk about mental health services, and another $100 million for treating veterans with hepatitis C. That provides more resources.

I do not know, in all due respect, where my colleague gets his numbers. I am glad that we have an amendment on the other side of the aisle that calls for a $900 million increase. I am pleased we are pushing this forward. But, in all due respect, the President's budget is no way to say thanks to veterans. Sure, we can take a little bit out of tax cuts with 40 percent going to the top 1 percent and make the commitment to veterans' health care.

This is a clear vote.

The ACTING PRESIDENT pro tempore. All time has expired.

Mr. REID. Mr. President, I ask unanimous consent to speak for 1 minute out of order.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. REID. Senator MIKULSKI, who has waited patiently for 2 days to offer her amendment, came to us a few minutes ago and said, because of the rush

of things, she would be willing to take a voice vote.

The reason I mention that is I think Members have a pretty good idea how the votes are going to turn out. She sets a very good example for this body, as she always does. I suggest others follow her example.

The ACTING PRESIDENT pro tempore. All time has expired.

Mr. DOMENICI. Mr. President, I ask that we proceed in the following manner: No amendment be in order to these amendments prior to the vote; that the votes occur in relation to these amendments in a stacked sequence; first, in relationship to the Wellstone amendment and then in relation to Senator BOND's amendment.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

The question is on agreeing to the Wellstone amendment.

Mr. WELLSTONE. Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kentucky (Mr. BUNNING) is necessary absent.

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

The result was announced—yeas 53, nays 46, as follows:

[Rollcall Vote No. 84 Leg.]

YEAS—53

Akaka	Dorgan	Lieberman
Baucus	Durbin	Lincoln
Bayh	Edwards	McCain
Biden	Ensign	Mikulski
Bingaman	Feingold	Murray
Boxer	Feinstein	Nelson (FL)
Breaux	Graham	Nelson (NE)
Byrd	Harkin	Reed
Cantwell	Hollings	Reid
Carnahan	Inouye	Rockefeller
Carper	Jeffords	Sarbanes
Cleland	Johnson	Schumer
Clinton	Kennedy	Specter
Conrad	Kerry	Stabenow
Corzine	Kohl	Torricelli
Daschle	Landrieu	Wellstone
Dayton	Leahy	Wyden
Dodd	Levin	

NAYS—46

Allard	Frist	Nickles
Allen	Gramm	Roberts
Bennett	Grassley	Santorum
Bond	Gregg	Sessions
Brownback	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Chafee	Hutchinson	Snowe
Cochran	Hutchison	Stevens
Collins	Inhofe	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Voinovich
Domenici	McConnell	Warner
Enzi	Miller	
Fitzgerald	Murkowski	

NOT VOTING—1

Bunning

The amendment (No. 269) was agreed to.

Mr. BOND. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 351

The PRESIDING OFFICER. The question is on agreeing to the Bond amendment.

Mr. BOND. Mr. President, I 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.

Mr. BOND. Mr. President, I ask unanimous consent that the following votes in this series be limited to 10 minutes each. We managed to get through with only 45 minutes on that first vote. I think if we can do it in 10 minutes, it might get us home before Monday.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri. 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 Kentucky (Mr. BUNNING) is necessarily absent.

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

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 85 Leg.]

YEAS—99

Akaka	Durbin	Lugar
Allard	Edwards	McCain
Allen	Ensign	McConnell
Baucus	Enzi	Mikulski
Bayh	Feingold	Miller
Bennett	Feinstein	Murkowski
Biden	Fitzgerald	Murray
Bingaman	Frist	Nelson (FL)
Bond	Graham	Nelson (NE)
Boxer	Gramm	Nickles
Breaux	Grassley	Reed
Brownback	Gregg	Reid
Burns	Hagel	Roberts
Byrd	Harkin	Rockefeller
Campbell	Hatch	Santorum
Cantwell	Helms	Sarbanes
Carnahan	Hollings	Schumer
Carper	Hutchinson	Sessions
Chafee	Hutchison	Shelby
Cleland	Inhofe	Smith (NH)
Clinton	Inouye	Smith (OR)
Cochran	Jeffords	Snowe
Collins	Johnson	Specter
Conrad	Kennedy	Stabenow
Corzine	Kerry	Stevens
Craig	Kohl	Thomas
Crapo	Kyl	Thompson
Daschle	Landrieu	Thurmond
Dayton	Leahy	Torricelli
DeWine	Levin	Voinovich
Dodd	Lieberman	Warner
Domenici	Lincoln	Wellstone
Dorgan	Lott	Wyden

NOT VOTING—1

Bunning

The amendment (No. 351) was agreed to.

CHANGE OF VOTE

Mr. VOINOVICH. Mr. President, on rollcall vote No. 85, I voted ''no.'' It was my intention to vote ''yes.'' Therefore, I ask unanimous consent that I be permitted to change my vote. It would in no way change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

Mr. BOND. I move to reconsider the vote by which the amendment was agreed to.

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

The motion was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 284

Mr. DOMENICI. We are ready to proceed with amendment No. 284, the Enzi-Carper amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. ENZI], for himself, Mr. CARPER, Mr. BENNETT, Mr. KERRY, Mr. ALLARD, Mr. BAYH, Mr. HUTCHINSON, Mr. GRASSLEY, Ms. COLLINS, Mr. HAGEL, Mr. MILLER, Mr. SCHUMER, Mr. CORZINE, Mr. JOHNSON, and Mr. NICKLES, proposes an amendment numbered 284.

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

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

The amendment is as follows:

(Purpose: To modify the resolution to reflect that there should be no new Federal fees on State-chartered banks)

On page 2, line 17, decrease the amount by $82,000,000.

On page 2, line 18, decrease the amount by $86,000,000.

On page 3, line 1, decrease the amount by $90,000,000.

On page 3, line 2, decrease the amount by $95,000,000.

On page 3, line 3, decrease the amount by $100,000,000.

On page 3, line 4, decrease the amount by $105,000,000.

On page 3, line 5, decrease the amount by $110,000,000.

On page 3, line 6, decrease the amount by $115,000,000.

On page 3, line 7, decrease the amount by $120,000,000.

On page 3, line 8, decrease the amount by $125,000,000.

On page 3, line 13, increase the amount by $82,000,000.

On page 3, line 14, increase the amount by $86,000,000.

On page 3, line 15, increase the amount by $90,000,000.

On page 3, line 16, increase the amount by $95,000,000.

On page 3, line 17, increase the amount by $100,000,000.

On page 3, line 18, increase the amount by $105,000,000.

On page 3, line 19, increase the amount by $110,000,000.

On page 3, line 20, increase the amount by $115,000,000.

On page 3, line 21, increase the amount by $120,000,000.

On page 3, line 22, increase the amount by $125,000,000.

On page 4, line 16, increase the amount by $95,000,000.

On page 4, line 17, increase the amount by $106,000,000.

On page 4, line 18, increase the amount by $116,000,000.

On page 4, line 19, decrease the amount by $317,000,000.

On page 5, line 7, decrease the amount by $177,000,000.

On page 5, line 8, decrease the amount by $192,000,000.
On page 5, line 9, decrease the amount by $206,000,000.
On page 5, line 10, increase the amount by $222,000,000.
On page 5, line 11, decrease the amount by $100,000,000.
On page 5, line 12, decrease the amount by $105,000,000.
On page 5, line 13, decrease the amount by $110,000,000.
On page 5, line 14, decrease the amount by $115,000,000.
On page 5, line 15, decrease the amount by $120,000,000.
On page 5, line 16, decrease the amount by $125,000,000.
On page 21, line 16, increase the amount by $95,000,000.
On page 21, line 20, increase the amount by $106,000,000.
On page 21, line 24, increase the amount by $116,000,000.
On page 22, line 3, decrease the amount by $317,000,000.

Mr. DOMENICI. Mr. President, I ask unanimous consent that there be no amendments in order to the Enzi amendment, No. 284.

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

Mr. ENZI. Mr. President, this might be one of the most important amendments you will vote on if you are interested in your State banks. This is an issue we have dealt with every year recently. Mr. CARPER, the Senator from Delaware, and I have worked on this diligently. Members would be amazed at the cosponsors. We have nine Democrats and nine Republicans on it. We have other Members who have pledged their support.

The budget resolution would impose a new federal fee on State banks, but it would be a fee that receives no service. It is a fee we have rejected every year as a new tax.

Don't approve a new tax in this budget. Help roll it back one more time and make sure that State banks will not be charged a new fee.

I especially thank the junior Senator from Delaware, Mr. CARPER, for working with me on this amendment. As a former Governor, he understands the importance of state banks and their contribution to a healthy banking system. I also thank the other cosponsors of this amendment, Mr. BENNETT, Mr. KERRY, Mr. ALLARD, Mr. BAYH, Mr. HUTCHINSON, Mr. GRASSLEY, Mr. MILLER, Ms. COLLINS, Mr. HAGEL, Mr. SCHUMER, Mr. NICKLES, Mr. CORZINE, Mr. JOHNSON, Mr. BUNNING, Mr. DODD, and Mr. NELSON.

The budget resolution before us assumes that the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve will impose new fees on state-chartered bank and bank holding companies. The amendment we are offering will ensure that these new fees will not be assessed.

The proposal included in the budget would amount to a federal tax on state-chartered entities that have already paid their state chartering agencies for the same service. In effect, these banks would be double-charged, with no added benefit.

The dual-banking system, consisting of both state and national bank charters, has served the United States and its communities well for many years. The current fee structure is identical for state and national banks. They both pay their chartering organization for their examinations. They are also both subject to deposit insurance premiums assessed by the FDIC. Additional fees for state banks will not increase safety and soundness.

Banks should have an option of a federal or state charter, depending upon their particular needs. The new fees assumed to be a part of the budget resolution would reduce the attractiveness of state bank charters, which traditionally have provided a lower-cost alternative to the federal bank charter. The effect would be to drive up costs for both banks and consumers.

Our amendment will help preserve the competitiveness of state-bank charters and maintain the balance of the dual banking system. The amendment would save state banks and bank holding companies approximately $2 billion over 10 years. It would allow these banks to invest this money in their local communities, rather than paying a discriminatory fee.

The Congress has rejected new federal fees on state banks in each of the previous seven budgets. The Senate Banking Committee has consistently opposed this proposal. The major banking associations—the American Bankers Association (ABA), the Independent Community Bankers of America (ICBA), America's Community Bankers (ACB), the Conference of State Bank Supervisors (CSBS) and the Financial Services Roundtable—have all endorsed the amendment. In addition, the National Governor's Association and the National Conference of State Legislatures are supporting the amendment.

I urge my colleagues to support this amendment.

I ask unanimous consent that the letter from the National Governor's Association and the correspondence from the banking associations be printed in the RECORD.

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

APRIL 3, 2001.

To: Members of the U.S. Senate.

From: American Bankers Association, America's Community Bankers, Conference of State Bank Supervisors, Independent Community Bankers of America, The Financial Services Roundtable.

Re: Support Enzi/Carper Amendment to Strike Bank Exam Fees from Budget.

The FY 2002 budget that the Senate is expected to vote on this week would require the Federal Deposit Insurance Corporation (FDIC) and Federal Reserve Board (FRB) to charge for their examinations of state-chartered banks and bank holding companies. Similar language was also included in seven Clinton Administration budgets, but was rejected by Congress each time.

The above-noted national member organizations and trade associations, representing all segments of the U.S. banking industry, are united in opposition to this examination fee requirement. It would impose an unfair, new tax on state-chartered banks and bank holding companies, costing them over $2 billion in the next ten years.

The FDIC and FRB have had authority to charge examination fees since 1991, but they never have charged such fees and are already financially healthy, self-funded entities. All banking institutions already pay examination fees to their chartering agencies (whether federal or state), as well as deposit insurance premiums to the FDIC. Thus, imposing examination fees on state-chartered banks and bank holding companies would constitute a discriminatory, double fee imposed on these entities simply on the basis of their charter and/or organizational structure. It would also be a threat to the balance of the dual banking system, which has so well served this country by providing much needed diversification to the U.S. economy.

Senate Banking Committee members Mike Enzi (R-Wyoming) and Tom Carper (D-Delaware) will join together to offer an amendment to strike the examination fees provision. The above-noted parties urge you to support the Enzi/Carper amendment. Just last week, the House of Representatives rejected this new tax during its consideration of the budget. Also, last month, the Senate Banking Committee informed the Senate Budget Committee that it ''has consistently opposed'' such new examination fees for many of the reasons noted above. Finally, the proposal its quite simply at odds with the Administration's overall tax reduction goals.

Please support the Enzi/Carper amendment to strike new banking examination fees from the FY 2002 budget. We thank you for your consideration of this important matter.

APRIL 4, 2000.

Senator PETE DOMENICI,
Chairman, Senate Budget Committee, U.S. Senate, Hart Senate Office Building, Washington, DC.

Senator KENT CONRAD,
Ranking Member, Senate Budget Committee, U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR DOMENICI AND SENATOR CONRAD: On behalf of the nation's Governors, we urge you to support Senator Enzi and Senator Carper's amendment to strike the examination fee on the state-chartered banks provision contained in H. Con. Res. 83, the Congressional Budget Resolution For FY2002. The Governors oppose the imposition of the new fee on the basis that it is discriminatory, costly, and a double fee on the more than 6,000 state-chartered banks and holding institutions in the U.S.

The new fee would only be assessed on state-chartered banks and holding institutions impacting the competitiveness of our dual banking system. The Governors strongly oppose any effort that would penalize the state system for attempting to develop high quality yet cost-effective operations.

The Office of Management and Budget and the Congressional Budget Office have reported that the new fee would cost state-chartered banks and holding institutions two billion dollars over the next ten years. A new fee would also run counter to the declining trend in bank regulatory fees. The Federal Deposit Insurance Corporation (FDIC) has slashed deposit insurance premiums. The Office of Comptroller General has also reduced supervisory fees. Congress rejected seven budget proposals for the previous administration that included these proposed fees.

Although the FDIC and the Federal Reserve Board have existing authority to charge examination fees since 1991, they

have elected not to do so as they are financially healthy, self-funded entities. All banking institutions, including state-chartered banks, already pay examination fees to their chartering agency to conduct examinations. The new fee would not increase the number or quality of these examinations. The fee would also penalize the economic efficiencies that state-chartered banks have gained and are represented in declining examination fees.

Thank you for considering our views on this important matter. If the NGA can assist you in any manner on this issue, please contact Frank J. Principi of the NGA staff at 202.624.7818.

Sincerely,

Gov. MIKE JOHANNS,
Chair, Committee on Economic Development and Commerce.
Gov. DON SIEGELMAN,
Vice Chair, Committee on Economic Development and Commerce.

Mr. CARPER. Mr. President, this budget resolution includes a proposal to require new Federal fees on State-chartered banks and bank holding companies. The amendment that I am offering with Senator ENZI would strike these unnecessary and inequitable fees from the budget.

Currently, the exam fee structure for both federally and State-chartered banks is identical: federally chartered banks pay the Federal Government for their examinations, and State-chartered banks pay States for theirs. Charging State-chartered banks a fee on top of what they already pay does not increase safety and soundness or provide for additional exams. These fees only increase the Federal fisc at the expense of the State banking system.

We have seen State-chartered banks be engines of innovation. As a former Governor, I believe this is one of the great values of our dual banking system. Under this system, States and the Federal Government independently charter and regulate financial institutions. A key benefit of our dual banking system is that it provides for innovations at both the State and Federal level. In fact, State initiatives have spurred most advances in U.S. bank products and services. Everything from checking accounts to adjustable-rate mortgages, from electronic funds transfers to the powers and structures endorsed by Gramm-Leach-Bliley, originated at the State level. State-chartered banks also play an important role in credit availability and economic development. Additional Federal fees for State banks would stifle the innovation taking place at the State level. The very innovation which benefits all consumers by providing competition and creativity in the marketplace.

On seven prior occasions, Congress has wisely rejected these Federal fee proposals. Last week, the House refused to include these fees in its budget resolution. The Senate Banking Committee also opposed these fees in its views to the Budget Committee. In addition, the American Bankers Association, America's Community Bankers, the Conference of State Bank Supervisors, the Independent Community Bankers of America, the Financial Services Roundtable, National Conference of State Legislatures, and the National Governors Association all oppose these new fees on State-chartered institutions.

I urge you to support the dual banking system and vote for this amendment to strike these harmful Federal fees.

Mr. DOMENICI. Senator GRAMM asked to address this issue for 30 seconds, and I ask unanimous consent he be permitted.

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

Mr. GRAMM. Mr. President, as chairman of the Banking Committee, I support this amendment. Obviously, nothing in the proposal actually changes banking law, it merely sets out budgetary assumptions. Broader issues are involved and I pledge to both authors of the amendment to hold hearings or otherwise deal with these broader issues. Given that understanding, I ask our colleagues to not force a rollcall vote so that we can save that time and get on about our business.

Mr. DOMENICI. What is the pleasure of the Senator?

Mr. ENZI. Would the Senator accept a voice vote?

Mr. GRAMM. I would ask for a voice vote.

Mr. DOMENICI. Parliamentary inquiry. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

The question is on agreeing to the amendment, No. 284.

The amendment (No. 284) was agreed to.

AMENDMENT NO. 249

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. I call up amendment No. 249.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself, Mr. LIEBERMAN, Mr. REID, Mr. BINGAMAN, Ms. LANDRIEU, Ms. CANTWELL, Mr. BIDEN, and Mr. JEFFORDS, proposes an amendment numbered 249.

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

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

(The amendment is printed in the RECORD of April 5 under ''Amendments Submitted.'')

AMENDMENT NO. 249, AS MODIFIED

Mr. KERRY. Mr. President, I ask unanimous consent I be permitted to modify the amendment, and I send a modification to the desk.

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

The amendment, as modified, is as follows:

(For the purpose of reducing greenhouse gas emissions, addressing global climate change concerns, protecting the global environment, and promoting domestic energy security; to provide increased funding for voluntary programs that will reduce greenhouse gas emissions in the near term; to provide increased funding for a range of energy resources and energy efficiency programs; to provide increased funding to ensure adequate U.S. participation in negotiations that are conducted pursuant to the Senate-ratified United Nations Framework Convention on Climate Change; to provide increased funding to encourage developing nations to reduce greenhouse gas emissions; and, to provide increased funding for programs to assist U.S. businesses exporting clean energy technologies to developing nations)

On page 5, line 8, decrease the amount by $450,000,000.

On page 5, line 9, decrease the amount by $450,000,000.

On page 5, line 10, decrease the amount by $450,000,000.

On page 5, line 11, decrease the amount by $450,000,000.

On page 5, line 12, decrease the amount by $450,000,000.

On page 5, line 13, decrease the amount by $450,000,000.

On page 5, line 14, decrease the amount by $450,000,000.

On page 5, line 15, decrease the amount by $450,000,000.

On page 5, line 16, decrease the amount by $450,000,000.

On page 4, line 3, increase the amount by $450,000,000.

On page 4, line 4, increase the amount by $450,000,000.

On page 4, line 5, increase the amount by $450,000,000.

On page 4, line 6, increase the amount by $450,000,000.

On page 4, line 7, increase the amount by $450,000,000.

On page 4, line 8, increase the amount by $450,000,000.

On page 4, line 9, increase the amount by $450,000,000.

On page 4, line 10, increase the amount by $450,000,000.

On page 4, line 11, increase the amount by $450,000,000.

On page 4, line 17, increase the amount by $450,000,000.

On page 4, line 18, increase the amount by $450,000,000.

On page 4, line 19, increase the amount by $450,000,000.

On page 4, line 20, increase the amount by $450,000,000.

On page 4, line 21, increase the amount by $450,000,000.

On page 4, line 22, increase the amount by $450,000,000.

On page 4, line 23, increase the amount by $450,000,000.

On page 5, line 1, increase the amount by $450,000,000.

On page 5, line 2, increase the amount by $450,000,000.

On page 12, line 16, increase the amount by $50,000,000.

On page 12, line 17, increase the amount by $33,000,000.

On page 12, line 20, increase the amount by $50,000,000.

On page 12, line 21, increase the amount by $50,000,000.

On page 12, line 24, increase the amount by $50,000,000.

On page 12, line 25, increase the amount by $50,000,000.

On page 13, line 3, increase the amount by $50,000,000.

On page 13, line 4, increase the amount by $50,000,000.
On page 13, line 7, increase the amount by $50,000,000.
On page 13, line 8, increase the amount by $50,000,000.
On page 13, line 11, increase the amount by $50,000,000.
On page 13, line 12, increase the amount by $50,000,000.
On page 13, line 15, increase the amount by $50,000,000.
On page 13, line 16, increase the amount by $50,000,000.
On page 13, line 19, increase the amount by $50,000,000.
On page 13, line 20, increase the amount by $50,000,000.
On page 13, line 23, increase the amount by $50,000,000.
On page 13, line 24, increase the amount by $50,000,000.
On page 14, line 2, increase the amount by $50,000,000.
On page 14, line 3, increase the amount by $50,000,000.
On page 14, line 11, increase the amount by $50,000,000.
On page 14, line 12, increase the amount by $45,000,000.
On page 14, line 15, increase the amount by $50,000,000.
On page 14, line 16, increase the amount by $50,000,000.
On page 14, line 19, increase the amount by $50,000,000.
On page 14, line 20, increase the amount by $50,000,000.
On page 14, line 23, increase the amount by $50,000,000.
On page 14, line 24, increase the amount by $50,000,000.
On page 15, line 2, increase the amount by $50,000,000.
On page 15, line 3, increase the amount by $50,000,000.
On page 15, line 6, increase the amount by $50,000,000.
On page 15, line 7, increase the amount by $50,000,000.
On page 15, line 10, increase the amount by $50,000,000.
On page 15, line 11, increase the amount by $50,000,000.
On page 15, line 14, increase the amount by $50,000,000.
On page 15, line 15, increase the amount by $50,000,000.
On page 15, line 18, increase the amount by $50,000,000
On page 15, line 19, increase the amount by $50,000,000.
On page 15, line 22, increase the amount by $50,000,000.
On page 15, line 23, increase the amount by $50,000,000.
On page 16, line 5, increase the amount by $205,000,000.
On page 16, line 6, increase the amount by $192,000,000.
On page 16, line 8, increase the amount by $205,000,000.
On page 16, line 9, increase the amount by $205,000,000.
On page 16, line 11, increase the amount by $205,000,000.
On page 16, line 12, increase the amount by $205,000,000.
On page 16, line 14, increase the amount by $205,000,000.
On page 16, line 15, increase the amount by $205,000,000.
On page 16, line 18, increase the amount by $205,000,000.
On page 16, line 19, increase the amount by $205,000,000.
On page 16, line 22, increase the amount by $205,000,000.
On page 16, line 23, increase the amount by $205,000,000.
On page 17, line 2, increase the amount by $205,000,000.
On page 17, line 3, increase the amount by $205,000,000.
On page 17, line 6, increase the amount by $205,000,000.
On page 17, line 7, increase the amount by $205,000,000.
On page 17, line 10, increase the amount by $205,000,000.
On page 17, line 11, increase the amount by $205,000,000.
On page 17, line 14, increase the amount by $205,000,000.
On page 17, line 15, increase the amount by $205,000,000.
On page 17, line 23, increase the amount by $100,000,000.
On page 17, line 24, increase the amount by $60,000,000.
On page 18, line 2, increase the amount by $100,000,000.
On page 18, line 3, increase the amount by $100,000,000.
On page 18, line 6, increase the amount by $100,000,000.
On page 18, line 7, increase the amount by $100,000,000.
On page 18, line 10, increase the amount by $100,000,000.
On page 18, line 11, increase the amount by $100,000,000.
On page 18, line 14, increase the amount by $100,000,000.
On page 18, line 15, increase the amount by $100,000,000.
On page 18, line 18, increase the amount by $100,000,000.
On page 18, line 19, increase the amount by $100,000,000.
On page 18, line 22, increase the amount by $100,000,000.
On page 18, line 23, increase the amount by $100,000,000.
On page 19, line 2, increase the amount by $100,000,000.
On page 19, line 3, increase the amount by $100,000,000.
On page 19, line 6, increase the amount by $100,000,000.
On page 19, line 7, increase the amount by $100,000,000.
On page 19, line 10, increase the amount by $100,000,000.
On page 19, line 11, increase the amount by $100,000,000.
On page 19, line 19, increase the amount by $45,000,000.
On page 19, line 20, increase the amount by $45,000,000.
On page 19, line 23, increase the amount by $45,000,000.
On page 19, line 24, increase the amount by $45,000,000.
On page 20, line 2, increase the amount by $45,000,000.
On page 20, line 3, increase the amount by $45,000,000.
On page 20, line 6, increase the amount by $45,000,000.
On page 20, line 7, increase the amount by $45,000,000.
On page 20, line 10, increase the amount by $45,000,000.
On page 20, line 11, increase the amount by $45,000,000.
On page 20, line 14, increase the amount by $45,000,000.
On page 20, line 15, increase the amount by $45,000,000.
On page 20, line 18, increase the amount by $45,000,000.
On page 20, line 19, increase the amount by $45,000,000.
On page 20, line 22, increase the amount by $45,000,000.
On page 20, line 23, increase the amount by $45,000,000.
On page 21, line 2, increase the amount by $45,000,000.
On page 21, line 3, increase the amount by $45,000,000.
On page 21, line 6, increase the amount by $45,000,000.
On page 21, line 7, increase the amount by $45,000,000.
On page 43, line 15, decrease the amount by $450,000,000.
On page 43, line 16, decrease the amount by $369,000,000.
On page 48, line 8, increase the amount by $450,000,000.
On page 48, line 9, increase the amount by $369,000,000.

Mr. KERRY. Let me say to my colleagues, this is an amendment to add money back on behalf of Senator LIEBERMAN, Senator COLLINS, and others, to the areas which we have already funded, to try to determine what we can do to understand global warming better, to fund new technologies, and to fund the export of American products with respect to those technologies. There is no unauthorized plan in this. There is nothing regulatory in it. This has nothing whatever to do with Kyoto. It is all preauthorized, existing programs, which we bring back to a funding level which most people think is appropriate, $4.5 billion over 10 years. It does not come out of the tax cut; it comes out of the contingency funds. I hope on a bipartisan basis we could signal our approval of the efforts to continue to understand the impact of global climate change on the technologies which can help us respond.

Mr. President, There is a world-wide consensus among climate scientists that global average temperature will rise over the next 100 years if greenhouse gas emissions continue to grow. Scientists report that some of the signs of this warming are already evident: the 90s was the hottest decade on record; glaciers around the world are receding at record rates; 1,000 square miles of the Larsen ice shelf in Antarctica have collapsed into the ocean; Arctic sea ice has thinned by 40 percent in only 20 years; and ocean temperatures throughout the world are rising. And scientists warn that the potential impacts of global warming include the intensification of floods, storms and droughts; the dislocation of millions of people; the spread of tropical diseases; destructive sea level rise; the die-off of species; the loss of forests, coral reefs and other ecosystems and other far reaching and adverse impacts.

To address the threat of global warming, the U.S. has invested in a range of programs aimed at understanding the global climate, reducing greenhouse gas emissions and other pollutants, saving energy and money, spurring innovation in energy technologies, and sequestering carbon. At the same time, we have engaged internationally to encourage the global use of clean energy technologies developed and manufactured here in the U.S. and to craft an international solution to the threat of climate change. Unfortunately, overall

funding levels in the Bush budget proposal and press reports of Administration budgeting plans make clear that these important programs are facing drastic cuts—cuts that could cripple even these minimal efforts to understand and mitigate climate change. The Climate Change Amendment increases budget authority by $4.5 billion over 10 years to make up for anticipated cuts to these essential programs. The increased budget authority in the amendment is offset by an equal reduction in the proposed Bush tax cut that amounts to a mere three-tenths of 1 percent of the overall tax cut.

The Climate Change Amendment provides additional budget authority of $4.5 billion over 10 years. It is offset by a reduction in the Bush tax cut of three-tenths of 1 percent. The additional budget authority is allocated to essential programs described below.

International Affairs—Function 150: The amendment increases budget authority by $500 million for 10 years. The increase is to offset cuts to the Global Environment Facility, USAID, State Department offices engaged in international negotiations on climate change and related programs. The GEF forges international cooperation to address critical threats to the global environment, including climate change but providing financial and technical assistance primarily in developing nations. USAID programs accelerate the development and deployment of clean energy technologies around the world and assist U.S. manufacturers in establishing a position in a clean energy market that it expect to total $5 trillion over the next 20 years. Additional authority for the State Department is to ensure that the budget includes sufficient funding for the U.S. to fully engage with the international community in on-going and highly complex negotiations pursuant to the UN Framework Convention on Climate Change.

Science, Space and Technology—Function 250: The amendment increases budget authority by $500 million over 10 years. The increase is to offset cuts to programs like the United States Global Change Research Program and similar efforts that provide basic and essential research into the global climate system and how pollution may be impacting it. The program is working to improve climate observations and our understanding of the global water cycle, ecosystem changes and the carbon cycle. It is a multi-agency effort that draws on the expertise of USDA, NASA, Energy, NOAA and other agencies. This research is fundamental to understanding and responding to the threat of global warming.

Energy—Function 270: The amendment increases budget authority by $2 billion over 10 years. The increase is to offset cuts in energy efficiency, renewable energy and other programs at the Department of Energy that reduce greenhouse gas emissions and save consumers money. These programs are the cornerstone of the U.S. effort to produce clean energy through technological innovation. They include the research, development and deployment of solar, wind, biomass, geothermal and other renewable power and technologies that will increase efficiency and reduce pollution from fossil fuel energy sources. The increased authority will also offset cuts to energy efficiency programs that cut energy use, reduce pollution and save consumers money. These programs also strengthen U.S. energy security by reducing demand and increasing clean domestic energy production.

Natural Resources—Function 300: The amendment increases budget authority by $1 billion over 10 years. The increase is to offset cuts in a range of programs that reduce greenhouse gas emissions, save energy and provide essential research. The Environmental Protection Agency has established several successful, incentive-based, non-regulatory programs to reduce emissions and save money, such as the EnergyStar labeling program for products ranging from computers to refrigerators. Similar programs achieve emissions reductions through increased building efficiency, business-wide efficiency gains and increased transportation efficiency. Also included in this increased budget authority is funding to offset cuts to the US Forest Service and NOAA programs investigating carbon sequestration and basic research into the global climate.

Agriculture—Function 350: The amendment increases budget authority by $450 million over 10 years. The increase is to offset cuts to programs that develop technologies that can produce energy from switchgrass, agricultural waste, timber waste and other biomass. These bioenergy technologies produce very low or no net greenhouse gas emissions and provide a market for U.S. farm products. Also offset are cuts to USDA programs studying how different farming practices and farmland conservation can increase carbon sequestration and reduce atmospheric concentrations.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are trying to work on this issue for a couple of minutes. It will not take us long. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from New Mexico.

Mr. DOMENICI. I yield to the Senator from Massachusetts.

Mr. KERRY. Mr. President, I ask Senator JEFFORDS be added as a cosponsor, as well as Senators LIEBERMAN, REID, BINGAMAN, LANDRIEU, CANTWELL, BIDEN, KENNEDY, FEINSTEIN, MURRAY, LEAHY, and COLLINS.

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

The Senator from New Mexico.

Mr. DOMENICI. I understand the primary sponsor and those cosponsoring it will accept a voice vote. Is that the case?

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. The Senator from Massachusetts has been here all week working on this amendment. It is one of the most important issues we have taken up all week. The Senator from Massachusetts and the Senator from Maine should be complimented for their brilliant work on this piece of legislation.

Mr. LIEBERMAN. Mr. President, I rise today in support of the amendment sponsored by my distinguished colleagues from Massachusetts and Maine to ensure full funding of all Federal programs aimed at addressing a growing and increasingly troubling international problem, global warming.

If left unchecked, global warming has the potential to dramatically alter life as we know it, leaving our children and grandchildren to inherit a planet suffering from all manner of ailments. While we cannot know precisely how dramatic these changes may be over time, recent science paints a rather bleak picture of what we can expect to happen. The implication to act now could not be more clear. Yet the Bush Administration has inexplicably withdrawn its support for almost all of the initiatives, both domestic and international, to begin to nurse our planet back to health. We must not let this happen. This amendment would ensure that those initiatives are properly funded.

Over the last three months, the United Nation's Intergovernmental Panel on Climate Change, or the IPCC, released its third report on global warming. The report was authored by over 700 expert scientists.

According to these experts, unless we find ways to stop global warming, the Earth's average temperature can be expected to rise between 2.5 and 10.4 degrees Fahrenheit during this next century. Such a large, rapid rise in temperature will profoundly alter the Earth's landscape in very real and consequential terms. Sea levels could swell up to 35 feet, potentially submerging millions of homes and coastal property under our present-day oceans. Precipitation would become more erratic, leading to droughts that would make hunger an even more serious global problem than it is today. Diseases such as malaria and dengue fever could spread at an accelerated pace. Severe weather disturbances and storms triggered by climatic phenomena, such as El Nino, would be aggravated by global warming and become more routine.

This new data should end serious debate about whether global warming is a fact. The science is now inconvertible.

The only thing left to do is debate and decide how we should respond, not if we should.

As the latest scientific report reminds us, this threat is being driven by our own behavior. Let me quote the scientists directly, ''There is new and stronger evidence that most of the warming observed over the last 50 years is attributable to human activities.'' Mr. President, human beings have added more than three billion metric tons of carbon to the atmosphere every year for the past two decades. More amazing, and more disturbing, is the fact that current levels of carbon dioxide are likely the highest they have been in 20 million years of history and 31 percent higher than those present in 1750.

Faced with these findings, President Bush has said that he ''takes the issue of global warming very seriously.'' Unfortunately, his recent acts contradict his statement. In fact, it appears that the only cooling of the globe that will occur under President Bush is the cooling of our foreign relations.

I was deeply disappointed last month when the President reneged on his campaign pledge to regulate carbon dioxide emissions from power plants. Just last week, the Bush Administration unilaterally also announced, without consultation with Congress and apparently without regard for our interests abroad, that it had ''no interest in implementing'' the Kyoto Protocol. In doing so, they did not just back away from the United States' signature on an international agreement; they backed away from the international process that resulted in the accord. Finally, while we do not yet have the exact numbers of the President's budget, it appears that he plans to significantly cut a number of the programs aimed at reducing greenhouse emissions domestically and overseas.

Most troubling are the reductions in the budgets of the Nation's energy efficiency programs and the funding for USAID's program to encourage developing countries to reduce emissions. How can the White House justify walking away from the Kyoto Protocol because of inadequate participation by developing countries when they are cutting the chief U.S. program aimed at securing that participation?

Global warming is a real threat to us, our children, and our grandchildren. We must demonstrate leadership and confront it now. This amendment will fund the programs we have to provide that leadership. We must pass it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 249), as modified, was agreed to.

Mr. KERRY. Mr. President, I move to reconsider the vote.

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

The motion was agreed to.

AMENDMENT NO. 238

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, on behalf of Senator HARKIN and myself, I call up amendment 238.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself and Mr. HARKIN, proposes an amendment numbered 238.

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

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

The amendment is as follows:

(Purpose: To provide an increase of $1,500,000,000 in fiscal year 2002 to Department of Justice programs for State and local law enforcement assistance)

On page 38, line 2, increase the amount by $1,500,000,000.

On page 38, line 3, increase the amount by $1,500,000,000.

On page 43, line 15, decrease the amount by $1,500,000,000.

On page 43, line 16, decrease the amount by $1,500,000,000.

On page 48, line 8, increase the amount by $1,500,000,000.

On page 48, line 9, increase the amount by $1,500,000,000.

SEC. ___. FUNDING FOR DEPARTMENT OF JUSTICE PROGRAMS FOR STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE.

(a) FINDINGS.—The Senate finds that—

(1) the national rate of serious crime dropped for the last 8 years in a row;

(2) the national rate of violent crime, including murders and rapes, is at its lowest level since 1978;

(3) the success in reducing serious crime and violent crime rates across the Nation is due in large part to the crime-fighting partnership between the Department of Justice and State and local law enforcement agencies and benefits from Department of Justice programs for State and local law enforcement assistance;

(4) on February 28, 2001, President George W. Bush submitted to Congress the Administration's budget highlights, ''A Blueprint For New Beginnings,'' which proposed ''redirecting'' $1,500,000,000 out of a total of $4,600,000,000 that has been dedicated for Department of Justice programs for State and local law enforcement assistance;

(5) for fiscal year 2001, Congress appropriated $523,000,000 for the Local Law Enforcement Block Grant Program, including $60,000,000 to the Boys and Girls Clubs of America for grants to Boys and Girls Clubs across the Nation, within the Department of Justice programs for State and local law enforcement assistance;

(6) for fiscal year 2001, Congress appropriated $25,500,000 for the Bulletproof Vest Partnership Grant Program within the Department of Justice programs for State and local law enforcement assistance and Congress passed the Bulletproof Vest Partnership Grant Act of 2000 (Public Law 106–517) to authorize $50,000,000 for the Bulletproof Vest Partnership Grant Program for fiscal year 2002 within the Department of Justice programs for State and local law enforcement assistance;

(7) for fiscal year 2001, Congress appropriated $569,050,000 for the Edward Byrne Memorial State and Local Assistance Program for Byrne discretionary and formula grants within the Department of Justice programs for State and local law enforcement assistance;

(8) for fiscal year 2001, Congress appropriated $686,500,000 for State prison grants, including the Violent Offender Incarceration Grant Program and Truth-In-Sentencing Incentive Program, within the Department of Justice programs for State and local law enforcement assistance;

(9) for fiscal year 2001, Congress appropriated $250,000,000 for the Juvenile Accountability Incentive Block Grant Program within the Department of Justice programs for State and local law enforcement assistance;

(10) for fiscal year 2001, Congress appropriated $470,000,000 for Police Hiring Initiatives, $227,500,000 for the Safe Schools Initiative, $140,000,000 for the COPS Technology Program, and $48,500,000 for the COPS Methamphetamine/Drug ''Hot Spots'' Program under the Community Oriented Policing Services (COPS) Program within the Department of Justice programs for State and local law enforcement assistance;

(11) for fiscal year 2001, Congress appropriated $288,679,000 for grants to support the Violence Against Women Act within the Department of Justice programs for State and local law enforcement assistance and Congress passed the Violence Against Women Act of 2000 (Public Law 106–386) to authorized grants of approximately $390,000,000 for grants to support the Violence Against Women Act for fiscal year 2002 within the Department of Justice programs for State and local law enforcement assistance;

(12) for fiscal year 2001, Congress appropriated $130,000,000 for the Crime Identification Technology Act within the Department of Justice programs for State and local law enforcement assistance;

(13) for fiscal year 2001, Congress appropriated $279,097,000 for Juvenile Justice and Delinquency Prevention Programs within the Department of Justice programs for State and local law enforcement assistance;

(14) in 2000, Congress passed the Computer Crime Enforcement Act (Public Law 106–572) to authorize $25,000,000 for fiscal year 2002 within the Department of Justice programs for State and local law enforcement assistance;

(15) in 2000, Congress passed the DNA Analysis Backlog Elimination Act of 2000 (Public Law 106–546) to authorize $65,000,000 for fiscal year 2002 within the Department of Justice programs for State and local law enforcement assistance; and

(16) in 2000, Congress passed the Paul Coverdell National Forensic Science Improvement Act of 2000 to authorize $85,400,000 for fiscal year 2002 within the Department of Justice programs for State and local law enforcement assistance.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this resolution assume an increase of $1,500,000 for fiscal year 2002 for the following Department of Justice programs for State and local law enforcement assistance to be provided for without reduction and consistent with previous appropriated and authorized levels: Local Law Enforcement Block Grant Program; Boys and Girls Clubs of America Grant Program; Bulletproof Vest Partnership Grant Program; Edward Byrne Memorial State and Local Assistance Program; Violent Offender Incarceration Prison Grant Program; Truth-In-Sentencing Prison Grant Program; Juvenile Accountability Incentive Block Grant Program; COPS Program; Violence Against Women Act; Crime Identification Technology Act; Juvenile Justice and Delinquency Prevention Programs; Computer Crime Enforcement Act; DNA Analysis Backlog Elimination Act; and Paul Coverdell National Forensic Science Improvement Act.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Vermont.

Mr. LEAHY. Mr. President, I have offered this amendment on behalf of Senator HARKIN and myself to provide an increase of $1.5 billion in fiscal year 2002 for Department of Justice programs for State and local law enforcement assistance.

Our amendment pays for these additional funds for our State and local crime-fighting partners from the surplus funds in the budget resolution's contingency reserve.

Senator HARKIN and I are concerned that the Senate is being called upon this week to vote on the Federal budget without having seen a detailed submission of where the Bush Administration may propose cuts in law enforcement programs.

I, for one, would hate to see cuts in our federal assistance to State and local law enforcement. Those programs to help acquire bulletproof vests, reduce DNA backlogs, encourage modern communications, provide modern crime labs, and place cops on the beat have been so helpful to our crime control efforts.

Under Attorney General Reno, and due in part to her emphasis on a coordinated effort with State and local law enforcement, crime rates fell in each of the past 8 years. Violent crimes, including murder and rape, have been reduced to the lowest levels in decades, since before the Reagan Administration. In fact, the national rate of violent crime is at its lowest level since 1978.

We need to redouble our efforts, not cut them short or leave them short of funds.

Unfortunately, President Bush's budget highlights in his ''Blueprint for New Beginnings'' appears to call for cutting federal assistance to State and local law enforcement by 30 percent—by ''redirecting'' $1.5 billion in Department of Justice programs for state and local law enforcement assistance.

This is quite troubling.

In addition, this budget resolution cuts $7.5 billion in Department of Justice funding over the next 5 years when compared to the Congressional Budget Office baseline. Over the next 10 years, this budget resolution cuts $19 billion in Department of Justice funding when compared to the CBO baseline.

Why does this budget resolution cut funding for the Department of Justice?

With school shootings continuing across the country and the use of heroin, methamphetamine and other dangerous drugs in rural and urban settings, now is not the time to be ''redirecting'' $1.5 million away from federal assistance to State and local law enforcement.

Now is not the time to be pulling back from the strong national commitment we should be making to continue to assist those on the front lines in the fight against crime and battle over illegal drug use.

The success in reducing serious crime and violent crime across the nation is due in large part to the crime-fighting partnership between the Department of Justice and state and local law enforcement agencies, which benefits from Department of Justice state and local law enforcement assistance.

We should all remember the bipartisan success stories that make up the Department of Justice's state and local law enforcement assistance programs.

For example, last year, Congress appropriated $60 million to the Boys and Girls Clubs of America for grants to Boys and Girls Clubs across the nation within the Department of Justice's programs for state and local law enforcement assistance. In Vermont and every other state in the nation, Boys and Girls Clubs are a great and growing success in preventing crime and supporting our children.

In FY 2001, Congress appropriated $523 million for the Local Law Enforcement Block Grant Program within the Department of Justice's programs for state and local law enforcement assistance programs.

Republicans and Democrats support this essential block grant for law enforcement equipment and other needs for state and local police departments.

The Department of Justice's programs for state and local law enforcement assistance include the Bulletproof Vest Partnership Grant Program. Senator CAMPBELL and I authored the Bulletproof Vest Partnership Grant Act in 1998.

In its first two years of operation, this program funded more than 325,000 new bulletproof vests for our nation's police officers, including more than 536 vests for Vermont law enforcement officers.

In FY 2001, Congress appropriated $569 million for the Edward Byrne Memorial State and Local Assistance Program for Byrne discretionary and formula grants within the Department of Justice's programs for state and local law enforcement assistance programs.

In Vermont, the Department of Public Safety receives about $2 million in Byrne grant funding a year to maintain the Vermont Drug Task Force to combat heroin and other illegal drugs. Byrne grants fund drug task forces in many other states as well.

The Department of Justice's programs for state and local law enforcement assistance also include such proven crime-fighting and drug-prevention programs as the Violent Offender Incarceration Prison Grant Program; Truth-In-Sentencing Incentive Prison Grant Program; Juvenile Accountability Incentive Block Grant Program; COPS Program; Violence Against Women Act; Crime Identification Technology Act; and Juvenile Justice and Delinquency Prevention Programs.

Moreover, this year's budget request for Department of Justice state and local law enforcement assistance should include new bipartisan crime-fighting programs that Congress passed last year. In 2000, on a bipartisan basis, the Senate and House passed the Computer Crime Enforcement Act, the DNA Analysis Backlog Elimination Act and the Paul Coverdell National Forensic Science Improvement Act.

These Department of Justice programs are needed to support our nation's police officers.

Mr. President, I urge the Senate to adopt the Leahy-Harkin amendment to increase funding by $1.5 billion for the 2002 fiscal year for the Department of Justice programs for state and local law enforcement assistance.

I yield to my friend from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, these are the programs that go right down to our local cops on the beat in our towns and communities all over America, especially the Byrne grant program, which has done much in my State and in the upper Midwest to fight the methamphetamine plague that has surged all over this country. The Bush budget cuts it out—a $1.5 billion shortfall. The Leahy amendment puts that money back to help support local law enforcement.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I say to the distinguished Senators who offered the amendment, I think their intentions are wonderful, but essentially all we are doing is adding more money to the appropriated accounts. No matter what anybody says it is going to be used for, it will not be used for that; it will be used for what the appropriators say.

With that in mind, we accept the amendment if they do not insist on a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LEAHY. I ask unanimous consent that the Senator from Minnesota be added as a cosponsor.

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

The question is on agreeing to the amendment.

The amendment (No. 238) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are going to try to take up six amendments here—three on our side, three on their side. They do not affect the appropriations, total appropriations, because they are offset within the budget, each one, for the amount that is being sought.

Can we proceed with Senator Smith, No. 217, in that regard? Is there objection to that?

Mr. CONRAD. We have no objection to Smith amendment No. 217.

AMENDMENT NO. 217

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. SMITH] for himself, Mrs. CLINTON, Mrs. SNOWE, Ms. COLLINS, and Mr. SARBANES, proposes and amendment numbered 217.

The amendment is as follows:

(Purpose: To protect public health, to improve water quality in the nation's rivers and lakes, at the nation's beaches, and along the nation's coasts, to promote endangered species recovery, and to work towards meeting the nation's extensive wastewater infrastructure needs by increasing funding for wastewater infrastructure in fiscal year 2002 in an amount that will allow funding for the State water pollution control revolving funds at an amount equal to the amount appropriated in fiscal year 2001 and to fully fund grants to address municipal combined sewer and sanitary sewer overflows)

On page 17, line 23 increase the amount by $800,000,000.

On page 17, line 24 increase the amount by $800,000,000.

On page 43, line 15 decrease the amount by $800,000,000.

On page 43, line 16 decrease the amount by $800,000,000.

Mrs. CLINTON. Mr. President, I am pleased to join today with my colleagues, Senators SMITH of Oregon, COLLINS, SNOWE, SARBANES and BAYH to provide additional funding that will help meet our Nation's critical wastewater infrastructure needs.

Specifically, this amendment provides an additional $800 million in fiscal year 2002 for grants for wastewater infrastructure projects, including $50 million for the Clean Water State Revolving Fund and $750 million to fully fund the new grant program authorized under the Wet Weather Water Quality Act of 2000.

These new grants will help municipalities address one of our largest remaining water quality challenges, combined and sanitary sewer overflows. Sewer overflows remain the leading cause of beach closures across the country, putting public health at risk and robbing communities of millions of tourism dollars annually.

This is a real problem in New York where so many cities, big and small, are confronted with pipe and equipment failures or have undersized systems that can't meet the increased demands of their growing populations. according to EPA's most recent estimates, there is a 20-year need of $139 billion for wastewater infrastructure nationwide. And this doesn't even account for the funding needed to adequately address the sanitary sewer overflows problems facing our communities.

This amendment is an important first step towards meeting our country's enormous water infrastructure needs. This amendment will ensure that our beaches are safer for swimming. And it will lead to significant improvements in the quality of the Nation's rivers, lakes, bays and estuaries.

Mr. SMITH of Oregon. Mr. President, I rise today to offer an amendment to the Senate Budget Resolution for Fiscal Year 2002. This amendment will increase the amount available to fully fund the sewer overflow control grants program at a level of $750 million for FY2002. It is important that Congress makes this level of commitment to clean water for a number of reasons.

The condition of our nation's wastewater collection and treatment facilities is alarming. In its 1996 ''Clean Water Needs Survey,'' the EPA estimates that nearly $140 billion will be needed over the next 20 years to address wastewater infrastructure problems in our communities. In March 1999, the EPA revised its figures, infrastructure needs are now estimated at $200 billion. Other independent studies indicate that EPA has undershot the mark, estimating that these unmet needs exceed $300 billion over 20 years.

In my state of Oregon, the challenge of municipal water treatment is everpresent. Roughly seventy percent of Oregon's population lives in the Willamette River watershed, with that number continuing to grow. The increasing demand on water supply and treatment is made even more acute by the responsibility to protect endangered salmon and steelhead in the Willamette River. Add to that the extremely low water and poor snowpack conditions facing the Northwest this year, and the urgency of maintaining high water quality in the river is greatly intensified.

The city of Portland is Oregon's largest, and its proximity to the Willamette River has been a contributor to water quality problems. At its worst, Portland's combined sewage overflow system dumped an estimated 10 billion gallons of combined sewage annually into the river in years past. During the past 7 years, however, Portland has invested over $300 million in clean water infrastructure, and will spend another $300 million in the next 5 years to meet its obligations under the Clean Water Act. I am working closely with the City of Portland to infuse targeted federal funds into its unique efforts to meet rigorous environmental requirements and responsibilities.

I am sponsoring this amendment because I strongly believe that Congress must make a firm commitment to helping cities like Portland, OR that are fully engaged in updating and improving their water treatment programs. The effects of such a commitment will be manifold, particularly upon a river like the Willamette that is long treasured, but heavily used by the many that derive their lives and livelihood from it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 217) was agreed to.

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

The motion to lay on the table was agreed to.

Mr. CONRAD. Mr. President, could we have order in the Chamber?

The PRESIDING OFFICER. There will be order in the Chamber, please. Senators please take your seats.

Is this a motion to vote on these amendments en bloc or separately?

Mr. DOMENICI. If the Senator is willing, I would like to do them en bloc.

Mr. CONRAD. We would be willing to do them en bloc as well.

The PRESIDING OFFICER. Without objection, the Senator from North Dakota.

Mr. CONRAD. Let me go back to the chairman for the next amendment that would be in this en bloc group.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Have we accepted 217?

The PRESIDING OFFICER. We have accepted 217.

AMENDMENTS NOS. 334, 236, 196, 244, AND 335, EN BLOC

Mr. DOMENICI. The five amendments I ask be called up and then be considered en bloc for voice vote are Inhofe No. 334, DeWine No. 236, Dorgan No. 196, Mikulski No. 244, and Nelson of Florida No. 335.

The amendments are as follows:

AMENDMENT NO. 334

(Purpose: To increase Impact Aid funding to $1,293,302,000)

On page 27, line 3, increase the amount by $300,000,000.

On page 27, line 4, increase the amount by $150,000,000.

On page 27, line 8, increase the amount by $100,000,000.

On page 27, line 12, increase the amount by $50,000,000.

On page 43, line 15, decrease the amount by $300,000,000.

On page 43, line 16, decrease the amount by $150,000,000.

On page 5, line 8, decrease the amount by $100,000,000.

On page 5, line 9, decrease the amount by $50,000,000.

AMENDMENT NO. 236

(Purpose: To provide additional funding for the United States Coast Guard for the fiscal year 2002)

On page 23, line 11, increase the amount by $250,000,000.

On page 23, line 12, increase the amount by $250,000,000.

On page 43, line 15, decrease the amount by $250,000,000.

On page 43, line 16, decrease the amount by $250,000,000.

At the end of the amendment, insert the following:

SEC. . SENSE OF THE SENATE REGARDING UNITED STATES COAST GUARD FISCAL YEAR 2002 FUNDING.

It is the sense of the Senate that any level of budget authority and outlays in fiscal year 2002 below the level assumed in this resolution for the Coast Guard would require the Coast Guard to—

(1) close numerous units and reduce overall mission capability, including the counter narcotics interdiction mission which was authorized under the Western Hemisphere Drug Elimination Act;

(2) reduce the number of personnel of an already streamlined workforce; and

(3) reduce operations in a manner that would have a detrimental impact on the sustainability of valuable fish stocks in the

North Atlantic and Pacific Northwest and its capacity to stem the flow of illicit drugs and illegal immigration into the United States.

AMENDMENT NO. 196

(Purpose: To increase the amount of funding for the trade enforcement programs of the International Trade Administration)

On page 4, line 2, increase the amount by $40,000,000.
On page 4, line 3, increase the amount by $55,000,000.
On page 4, line 4, increase the amount by $70,000,000.
On page 4, line 5, increase the amount by $70,000,000.
On page 4, line 6, increase the amount by $70,000,000.
On page 4, line 7, increase the amount by $70,000,000.
On page 4, line 8, increase the amount by $70,000,000.
On page 4, line 9, increase the amount by $70,000,000.
On page 4, line 10, increase the amount by $70,000,000.
On page 4, line 11, increase the amount by $70,000,000.
On page 4, line 16, increase the amount by $40,000,000.
On page 4, line 17, increase the amount by $55,000,000.
On page 4, line 18, increase the amount by $70,000,000.
On page 4, line 19, increase the amount by $70,000,000.
On page 4, line 20, increase the amount by $70,000,000.
On page 4, line 21, increase the amount by $70,000,000.
On page 4, line 22, increase the amount by $70,000,000.
On page 4, line 23, increase the amount by $70,000,000.
On page 5, line 1, increase the amount by $70,000,000.
On page 5, line 2, increase the amount by $70,000,000.
On page 5, line 7, decrease the amount by $40,000,000.
On page 5, line 8, decrease the amount by $55,000,000.
On page 5, line 9, decrease the amount by $70,000,000.
On page 5, line 10, decrease the amount by $70,000,000.
On page 5, line 11, decrease the amount by $70,000,000.
On page 5, line 12, decrease the amount by $70,000,000.
On page 5, line 13, decrease the amount by $70,000,000.
On page 5, line 14, decrease the amount by $70,000,000.
On page 5, line 15, decrease the amount by $70,000,000.
On page 5, line 16, decrease the amount by $70,000,000.
On page 5, line 20, increase the amount by $40,000,000.
On page 5, line 21, increase the amount by $55,000,000.
On page 5, line 22, increase the amount by $70,000,000.
On page 5, line 23, increase the amount by $70,000,000.
On page 5, line 24, increase the amount by $70,000,000.
On page 5, line 25, increase the amount by $70,000,000.
On page 6, line 1, increase the amount by $70,000,000.
On page 6, line 2, increase the amount by $70,000,000.
On page 6, line 3, increase the amount by $70,000,000.
On page 6, line 4, increase the amount by $70,000,000.
On page 6, line 8, increase the amount by $40,000,000.
On page 6, line 9, increase the amount by $55,000,000.
On page 6, line 10, increase the amount by $70,000,000.
On page 6, line 11, increase the amount by $70,000,000.
On page 6, line 12, increase the amount by $70,000,000.
On page 6, line 13, increase the amount by $70,000,000.
On page 6, line 14, increase the amount by $70,000,000.
On page 6, line 15, increase the amount by $70,000,000.
On page 6, line 16, increase the amount by $70,000,000.
On page 6, line 17, increase the amount by $70,000,000.
On page 21, line 15, increase the amount by $40,000,000.
On page 21, line 16, increase the amount by $40,000,000.
On page 21, line 19, increase the amount by $55,000,000.
On page 21, line 20, increase the amount by $55,000,000.
On page 21, line 23, increase the amount by $70,000,000.
On page 21, line 24, increase the amount by $70,000,000.
On page 22, line 2, increase the amount by $70,000,000.
On page 22, line 3, increase the amount by $70,000,000.
On page 22, line 6, increase the amount by $70,000,000.
On page 22, line 7, increase the amount by $70,000,000.
On page 22, line 10, increase the amount by $70,000,000.
On page 22, line 11, increase the amount by $70,000,000.
On page 22, line 14, increase the amount by $70,000,000.
On page 22, line 15, increase the amount by $70,000,000.
On page 22, line 18, increase the amount by $70,000,000.
On page 22, line 19, increase the amount by $70,000,000.
On page 22, line 22, increase the amount by $70,000,000.
On page 22, line 23, increase the amount by $70,000,000.
On page 23, line 2, increase the amount by $70,000,000.
On page 23, line 3, increase the amount by $70,000,000.
On page 43, line 15, decrease the amount by $40,000,000.
On page 43, line 16, decrease the amount by $40,000,000.
On page 43, line 19, decrease the amount by $55,000,000.
On page 43, line 20, decrease the amount by $55,000,000.
On page 43, line 23, decrease the amount by $70,000,000.
On page 43, line 24, decrease the amount by $70,000,000.
On page 44, line 2, decrease the amount by $70,000,000.
On page 44, line 3, decrease the amount by $70,000,000.
On page 44, line 6, decrease the amount by $70,000,000.
On page 44, line 7, decrease the amount by $70,000,000.
On page 44, line 10, decrease the amount by $70,000,000.
On page 44, line 11, decrease the amount by $70,000,000.
On page 44, line 14, decrease the amount by $70,000,000.
On page 44, line 15, decrease the amount by $70,000,000.
On page 44, line 18, decrease the amount by $70,000,000.
On page 44, line 19, decrease the amount by $70,000,000.
On page 44, line 22, decrease the amount by $70,000,000.
On page 44, line 23, decrease the amount by $70,000,000.
On page 45, line 2, decrease the amount by $70,000,000.
On page 45, line 3, decrease the amount by $70,000,000.

AMENDMENT NO. 244

(Purpose: To increase education technology funding to $1.5 billion per year)

On page 27, line 3, increase the amount by $628,000,000.
On page 27, line 4, increase the amount by $35,000,000.
On page 27, line 7, increase the amount by $657,000,000.
On page 27, line 8, increase the amount by $438,000,000.
On page 27, line 11, increase the amount by $687,000,000.
On page 27, line 12, increase the amount by $619,000,000.
On page 27, line 15, increase the amount by $716,000,000.
On page 27, line 16, increase the amount by $678,000,000.
On page 27, line 19, increase the amount by $747,000,000.
On page 27, line 20, increase the amount by $707,000,000.
On page 27, line 23, increase the amount by $778,000,000.
On page 27, line 24, increase the amount by $738,000,000.
On page 28, line 2, increase the amount by $808,000,000.
On page 28, line 3, increase the amount by $768,000,000.
On page 28, line 6, increase the amount by $841,000,000.
On page 28, line 7, increase the amount by $799,000,000.
On page 28, line 10, increase the amount by $873,000,000.
On page 28, line 11, increase the amount by $831,000,000.
On page 28, line 14, increase the amount by $907,000,000.
On page 28, line 15, increase the amount by $864,000,000.
On page 43, line 15, decrease the amount by $628,000,000.
On page 43, line 16, decrease the amount by $35,000,000.
On page 43, line 19, decrease the amount by $657,000,000.
On page 43, line 20, decrease the amount by $438,000,000.
On page 43, line 23, decrease the amount by $687,000,000.
On page 43, line 24, decrease the amount by $619,000,000.
On page 44, line 2, decrease the amount by $716,000,000.
On page 44, line 3, decrease the amount by $678,000,000.
On page 44, line 6, decrease the amount by $747,000,000.
On page 44, line 7, decrease the amount by $707,000,000.
On page 44, line 10, decrease the amount by $778,000,000.
On page 44, line 11, decrease the amount by $738,000,000.
On page 44, line 14, decrease the amount by $808,000,000.
On page 44, line 15, decrease the amount by $768,000,000.
On page 44, line 18, decrease the amount by $841,000,000.
On page 44, line 19, decrease the amount by $799,000,000.

On page 44, line 22, decrease the amount by $873,000,000.

On page 44, line 23, decrease the amount by $831,000,000.

On page 45, line 2, decrease the amount by $907,000,000.

On page 45, line 3, decrease the amount by $864,000,000.

AMENDMENT NO. 335

(Purpose: To provide public water systems the initial funding needed in Fiscal Year 2002 of $43,855,000 to comply with the 10 parts per billion standard for arsenic in drinking water recommended by the National Academy of Sciences 1999 study and adopted by the World Health Organization and European Union)

On page 17, line 23, increase the amount by $43,855,000.

On page 17, line 24, increase the amount by $42,538,450.

On page 48, line 8 increase the amount by $43,855,000.

On page 48, line 9, increase the amount by $42,538,450.

On page 43, line 15, decrease the amount by $43,855,000.

On page 43, line 16, decrease the amount by $42,538,450.

AMENDMENT NO. 244

Ms. MIKULSKI. Mr. President, I call up amendment number 244 on behalf of myself and my cosponsors—Senators BINGAMAN, BOXER, KENNEDY, LEVIN, and SARBANES. My amendment is very simple: it provides $1.5 billion annually for education technology programs, and will be offset by a reduction in the tax cut. It will give every American child a ''digital opportunity ladder'' to climb to success, as well as help every child to be computer literate by the 6th grade, regardless of race, ethnicity, income, gender, geography, or disability.

My amendment does 3 things: it provides $1 billion a year for consolidated education technology programs, which will go to states based on formula grants. Schools could use these funds for almost any technology-related activity: wiring, hardware, software, training, maintenance or repair.

Second, my amendment doubles teacher training funds by adding $400 million, per year for the next ten years. Teachers want to help their students cross the digital divide but less than 20 percent of them feel confident using technology in their daily lesson plans. Technology without training is a hollow opportunity.

Finally, my amendment also provides $100 million to create one thousand community technology centers. Community technology centers are necessary because kids don't just learn in school—they also learn in their communities. Technology centers make it easier for children to do their homework or to surf the web under adult supervision, and also make it easier for parents to upgrade their skills or write a resume.

The opportunities here are tremendous: to use technology to improve our lives, to use technology to remove barriers such as income, race, ethnicity, or geography. Every student in America should have access to a digital opportunity ladder. My amendment does that and I urge my colleagues' support.

AMENDMENT NO. 236

Mr. DEWINE. Mr. President, I thank the chairman and ranking member of the Budget Committee, Senators DOMENICI and CONRAD, for working with me, Senator GRAHAM from Florida, Senator SNOWE from Maine, and so many others in support of our amendment that would provide additional assistance for one of our most important agencies, the U.S. Coast Guard.

The amendment we have offered would provide an additional $250 million increase in Coast Guard operating expenses above the fiscal year 2002 level recommended by the President. The House has included this $250 million increase in its budget resolution, and I am pleased that the Senate will do the same.

Over the past few years, our Coast Guard has faced significant funding shortfalls, which are directly impacting its operations on an annual basis. Additional funding, would eliminate Coast Guard vessel and aircraft spare parts problems, improve personnel training, fund new Department of Defense entitlements, and run drug interdiction operations at optimal levels.

Because of funding shortfalls in the Fiscal Year 2001 budget, the Coast Guard has been forced to reduce operations by 10 percent in the second quarter of this year. If funding shortfalls go unaddressed, the Coast Guard anticipates cutting operations by 30 percent in the third and fourth quarters. To address budget shortfalls and restore vital operations, the Coast Guard has requested $91 million in supplemental funding from the Office of Management and Budget.

The same thing happened last year. The Coast Guard was forced to reduce operations by 30 percent last summer, and Congress again had to come to the rescue with $77 million in supplemental operating funding.

The Coast Guard has developed an unhealthy budgetary dependence on emergency supplementals to pay for normal ongoing mission operations. The recent enactment of two successive Defense Authorization bills, which increased personnel costs dramatically, has exacerbated the Coast Guard's funding problems even further. These bills mandated pay raises, new medical entitlements, recruiting and retention incentives, and other entitlements that far exceeded what was appropriated in the Transportation Appropriations Bill for the Coast Guard.

The money to fund these initiatives doesn't just magically appear. It must come from someplace. And, what usually happens is that the Coast Guard either absorbs these costs directly from within its own budget, creating service-related cutbacks, or it simply doesn't match benefits provided to other defense personnel. Neither scenario is ideal, and in the end, it is the Coast Guard personnel who lose.

The Coast Guard is reaching the point where it is stretched so thin and the condition of its equipment is so poor that it is essentially cannibalizing equipment for parts, deferring maintenance, and working its people overtime—and this is just to sustain daily operations. This doesn't even take into account rapidly rising fuel costs, which have been exacerbating problems this fiscal year.

We need to provide the Coast Guard with the resources necessary to restore normal operations through the normal budget and appropriations process. We need to adequately fund the Coast Guard on an annual basis so the American people can have the services that they not only expect, but require from our Coast Guard.

Drug interdiction is one of those services and one of our Coast Guard's most important missions. As my colleagues all know, the scourge of drugs is a national and international challenge that threatens our communities here at home, as well as many fragile democracies in the Caribbean and South and Central America.

I am very pleased to report, however, that with the help of additional funding provided by the Western Hemisphere Drug Elimination Act, WHDEA, which my dear friend, the late Senator Coverdell and Senators GRASSLEY, GRAHAM, and I sponsored, our Coast Guard has increased cocaine seizures by an astounding 60 percent over the last two years.

As my colleagues may recall, we passed the Western Hemisphere Drug Elimination Act as part of the Fiscal Year 1999 Omnibus Appropriations Bill. Through this legislation, we were able to allocate an additional $844 million to upgrade U.S. counter-drug and interdiction programs. Out of this funding, the Coast Guard received $276 million. Since receiving this added investment, our Coast Guard went from seizing 82,623 pounds of cocaine in Fiscal Year 1998 to seizing 132,800 pounds in Fiscal Year 2000 at an estimated street value of over $4 billion. That amount represents the value of nearly the entire Coast Guard annual budget.

With adequate resources, this is the kind of success we can expect because we are able to level the playing field with the drug smugglers. In other words, the drug smugglers in the past have had the upper hand in terms of technology and resources to transport drugs into the United States. By giving the Coast Guard additional funding, we are giving them the means to fight against the drug traffickers, and the means to beat them.

Resources allow the Coast Guard to seek innovative solutions to improve the efficiency of counter-drug operations in drug transit zones. Take for example, Operation New Frontier, which was conducted mainly in the Western Caribbean (Windward Passage, off of Haiti, Jamaica, and Colombia), and tested the concept of the Coast Guard's ''use of force'' helicopters and used Over-the-Horizon cutter boats to successfully seize six ''go-fast'' drug-smuggling vessels in six attempts. This

is an unprecedented success rate. Similarly, the Coast Guard's Deployable Pursuit Boats, DPBs, high-speed, 38-foot, 840-horsepower fiberglass boats—have been operating as another tool to stem the threat posed by drug smugglers' ''go-fast'' boats.

But unfortunately, despite recent successes, the fact is that we need to do more to help our Coast Guard in the long-term. Past funding shortfalls for the Coast Guard have had negative impacts on its operations. We need to do more. We need to make sure that every year our Coast Guard receives the funds it needs to continue its high level of service and necessary counter-drug operations.

The Coast Guard must be able to perform routine and emergency operations, while still providing vital training and maintenance functions. The Coast Guard must do this within their annual budget and without placing an unreasonable workload on its people.

I stand ready to continue working with my colleagues to make sure our Coast Guard has the funding and the support to meet its missions now and well into the future.

AMENDMENT NO. 244

Ms. MIKULSKI. Mr. President, my amendment is very simple: it provides $1.5 billion annually for education technology programs, and will be offset by a reduction in the tax cut. It will give every American child a ''digital opportunity ladder'' to climb to success, as well as help every child to be computer literate by the 6th grade, regardless of race, ethnicity, income, gender, geography, or disability.

My amendment does 3 things: it provides $1 billion a year for consolidated education technology programs, which will go to states based on formula grants. Schools could use these funds for almost any technology-related activity: wiring, hardware, software, training, maintenance or repair.

Second, my amendment doubles teacher training funds by adding $400 million, per year for the next ten years. Teachers want to help their students cross the digital divide but less than 20 percent of them feel confident using technology in their daily lesson plans. Technology without training is a hollow opportunity.

Finally, my amendment also provides $100 million to create one thousand community technology centers. Community technology centers are necessary because kids don't just learn in school—they also learn in their communities. Technology centers make it easier for children to do their homework or to surf the web under adult supervision, and also make it easier for parents to upgrade their skills or write a resume.

The opportunities here are tremendous: to use technology to improve our lives, to use technology to remove barriers such as income, race, ethnicity, or geography. Every student in America should have access to a digital opportunity ladder. My amendment does that and I urge my colleagues' support.

AMENDMENT NO. 335

Mr. NELSON of Florida. Mr. President, 2 years ago following an indepth study requested by Congress, the National Academy of Sciences recommended we reduce the level of arsenic in drinking water by a significant amount.

This is the standard that was, in fact, required in a rule issued by the previous administration, but one that the present administration abruptly overturned last month.

In response, I have filed legislation that aims to impose the safer standard of having 80 percent less arsenic in our drinking water than the Bush administration would allow.

I believe this is a step needed to protect consumers, children and our environment. Better safe than sorry is a good rule in such matters.

This amendment would provide first-year funding of $43 million the Environmental Protection Agency says is needed for smaller cities to be able to improve water systems.

This amendment is needed to ensure that cost doesn't prevent public water systems from providing safe, clean drinking water.

Mr. WARNER. Mr. President, I rise today in support of an amendment offered by myself and Senator MIKULSKI.

Today, teachers expend significant money out of their own pocket to better the education of our children. Most typically, our teachers are spending money out of their own pocket on three types of expenses: education expenses brought into the classroom—such as books, supplies, pens, paper, and computer equipment; professional development expenses—such as tuition, fees, books, and supplies associated with courses that help our teachers become even better instructors; and interest paid by the teacher for previously incurred higher education loans.

These out-of-pocket costs placed on the backs of our teachers are but one reason our teachers are leaving the profession, and why this country is in the midst of a teacher shortage.

Therefore, I introduced The Teacher Tax Credit. This legislation creates a $1,000 tax credit for eligible teachers for qualified education expenses, qualified professional development expenses, and interest paid by the teacher during the taxable year on any qualified education loan.

This legislation, S. 225, is cosponsored by Senators MIKULSKI, ALLEN, DEWINE, COCHRAN, and HARKIN. It is supported by the National Education Association.

We all agree that our education system must ensure that no child is left behind. As we move towards education reforms to achieve this goal, we must keep in mind the other component in our education system—the teachers.

This amendment to the budget resolution will set a reserve fund of $39.5 billion over the next 10 years to reimburse teachers for these out-of-pocket costs. Teachers will benefit and our children will benefit as well.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. On this side we agree and support all of those amendments en bloc and ask our colleagues' support.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The amendments (Nos. 334, 236, 196, 244, 335) en bloc were agreed to.

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

The PRESIDING OFFICER. The clerk will please call the roll.

The 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. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, last night we called up amendment No. 237, the Grassley amendment. We agreed to it and then withdrew it. It has now been corrected technically. It was agreed to last night, and we ask that it now be agreed to without a vote.

Mr. CONRAD. Mr. President, the Senator describes correctly what happened last night. This is a Grassley-Kennedy amendment. It has been cleared on both sides. We ask again the support of our colleagues. It was a technical glitch last night that has been corrected.

AMENDMENT NO. 237, AS MODIFIED

The PRESIDING OFFICER. Without objection, the clerk will please report the amendment as modified.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. GRASSLEY, proposes an amendment numbered 237, as modified.

Mr. DOMENICI. 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:

(Purpose: To establish a reserve fund for the Family Opportunity Act)

At the appropriate place, insert the following:

SEC. ___. RESERVE FUND FOR FAMILY OPPORTUNITY ACT.

If the Committee on Finance of the Senate reports a bill or joint resolution which provides States with the opportunity to expand medicaid coverage for children with special needs, allowing families of disabled children with the opportunity to purchase coverage under the medicaid program for such children (commonly referred to as the ''Family Opportunity Act of 2001''), the Chairman of the Committee on the Budget of the Senate may revise committee allocations for the Committee on Finance and other appropriate budgetary aggregates and allocations of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that measure for that purpose, but not to exceed $200,000,000 in new budget authority and outlays for fiscal year 2002 and $7,900,000,000 in new budget authority and outlays for the period of fiscal years 2002

through 2011, subject to the condition that such legislation will not, when taken together with all other previously-enacted legislation, reduce the on-budget surplus below the level of the Medicare Federal Hospital Insurance Trust Fund surplus in any fiscal year covered by this resolution.

Mr. NICKLES. Mr. President, I would like to express some concerns I have regarding the Family Opportunity Act. I agree with Chairman GRASSLEY's position that it is critically important to make sure that our federal safety net programs do not create disadvantages for families to work and therefore earn their way off federal assistance. He has made the argument that it is wrong that families, who are currently served by public programs such as Supplemental Security Income, must decline promotions and raises which would improve their situation for fear of losing their health care coverage. I agree and will support an effort to address these inequities and help those families move off of federal programs. The legislation currently contemplated by Senators GRASSLEY and KENNEDY does not simply remove the work disincentive in SSI. In fact, the legislation applies to families who have never been on SSI nor would ever qualify for SSI. This legislation would open up Medicaid to a family who earns up to $51,000 for a family of four.

In this situation, these families would be competing against families who do qualify for SSI and are currently waiting, in some cases, up to 900 days to simply get on the program they desperately need. These are the poorest of the poor. They are the people for whom this program was designed but they are not being served effectively. In my opinion it is unacceptable to punish lower income Medicaid eligible persons presently waiting for needed assistance. There are many of us who would wonder about adding more applicants who would not be receiving the SSI benefit but rather just the certification for this Medicaid expansion to an overburdened system.

In recent years, we have seen a series of rifle shot expansions to the Medicaid program based on specific disease categories or groups. I am concerned that those expansions are not consistent with the intention of the program and undermine its purpose. It would be my hope that we could address these issues in the broader context of Medicaid reform and that the Finance Committee could responsibly evaluate any new federal entitlements to ensure that we are not duplicating existing health programs like SCHIP or discouraging private employer insurance.

This country has 43 million uninsured Americans. This bill, which costs $7.9 billion, impacts 200,000 kids; 60,000 of whom have, or have access to, employer sponsored insurance and many of whom have access to SCHIP as well. It is a higher priority to provide health care to the uninsured with no health options than to create multiple health insurance options for a select population.

I do commend Chairman GRASSLEY for his hard work with Senator KENNEDY on this bill. I know that they have been working on this program for a number of years now and hope we can work together in this process toward a final bill. I look forward to working with the chairman and others on the committee to ensure this bill addresses the issue it was designed to fix.

Mr. DOMENICI. We yield back any time in favor of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 237), as modified, was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I wish to announce to everyone that we are down to three amendments on our side. There are a few more than that on the other side. I wonder if we could have just a little bit of time. I think it would permit us to work out a number of these. I am going to put in a quorum call. I think it might last as long as 10 or 15 minutes for those who are interested.

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. ALLARD). Without objection, it is so ordered.

The Senator from New Mexico.

Mr. DOMENICI. First, I want to say to the Senate, we are getting very close. We only have about four amendments on each side. We think we can work them out. And if not, we would not have more than three or four votes on what we have remaining. We need some time to work on modifying these amendments to make them acceptable, in most cases. So we can do that properly, we need until about 12:30. We have consulted with the leadership. I ask unanimous consent that we now stand in recess until 12:30.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the chairman of the committee describes it very well. We have worked through a lot of amendments. We still have some outstanding that will require some additional staff time. Also, we need to do a careful analysis of where we are in terms of spending, where we are on a year-by-year basis. This additional time will help us do that final analysis so Senators, when we are voting on a final package, will have a very accurate picture of where we are in terms of the tax cut, in terms of spending, and in terms of debt reduction.

We hope we can take this time and then come back and finish our business expeditiously.

Mrs. BOXER. Reserving the right to object.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I have a question for either of the managers. My understanding is that we have a Senator who will not be back until 2:30. Is that affecting our voting schedule?

Mr. DOMENICI. From what I can tell, we need the time now to do some work. We can't move ahead with any dispatch now. We would like this time to work on it. There is no outside reason for this. It is our reason, internal to our work.

RECESS

The PRESIDING OFFICER. Without objection, the Senate stands in recess.

There being no objection, the Senate, at 11:10 a.m., recessed until 12:31 p.m., and reassembled when called to order by the Presiding Officer (Mr. INHOFE).

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001–2011—Continued

Mr. HUTCHINSON. 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. VOINOVICH. 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. DOMENICI. 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. DOMENICI. Mr. President, we have been working diligently to get a series of amendments we can accept. We are operating on the premise that any of the amendments that were offered either from our side or the other side—that they be budget neutral in the language that is used to formulate them.

AMENDMENT NO. 214, AS MODIFIED

Mr. DOMENICI. Mr. President, I ask unanimous consent to modify amendment No. 214 offered by Senator COLLINS.

I send the amendment, as modified, to the desk.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Ms. COLLINS, for herself, Mr. JOHNSON, and Mr. DASCHLE, proposes an amendment numbered 214, as modified.

The amendment, as modified, reads as follows:

(Purpose: To provide for a reserve fund for veterans' education)

At the appropriate place, insert the following:

SEC. . RESERVE FUND FOR VETERANS' EDUCATION.

If the Committee on Veterans' Affairs of the House or the Senate reports a bill that increases the basic monthly benefit under the Montgomery G.I. Bill to reflect the increasing cost of higher education, the Chairman of the Committee on the Budget of the House or Senate, as applicable, may increase the allocation of new budget authority and outlays to such committee by the amount of new budget authority (and the outlays resulting therefrom) provided by that measure for that purpose not to exceed $775,000,000 in new budget authority and outlays for fiscal year 2002, $4,300,000,000 in new budget authority and outlays for the period of fiscal years 2002 through 2006, and $9,900,000,000 in new budget authority and outlays for the period of fiscal years 2002 through 2011, subject to the condition that such legislation will not, when taken together with all other previously enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal years covered by this resolution.

Ms. COLLINS. Mr. President, I rise today to offer an amendment that will create a reserve fund for the improvement of veterans' education benefits under the Montgomery GI bill. I am delighted to be joined by my friend and colleague, Senator JOHNSON, in this effort.

This amendment will set aside funding for S. 131, the Veterans' Higher Education Opportunities Act, which Senator JOHNSON and I introduced earlier this year. Our legislation would provide a much-needed increase in the basic monthly benefit under the GI bill, a benefit that over the past 15 years has failed to keep pace with the ever-increasing cost of higher education.

Our legislation is very simple. It establishes a benchmark by which the basic Montgomery GI bill benefit will be calculated, allowing the benefit to increase as the cost of higher education increases. Endorsed by the Partnership for Veterans Education, a broad coalition including over 40 veterans service organizations and education associations, our legislation provides a new model for today's GI bill that is logical, fair, and worthy of a nation that values both higher education and our veterans.

While the Montgomery GI bill has served our country well since its passage in 1985, the value of the educational benefit assistance it provides has greatly eroded over time due to inflation and the escalating cost of higher education. Military recruiters indicate that the program's benefits no longer serve as a strong incentive to join the military; nor do they serve as a retention tool valuable enough to persuade men and women to stay in the military and defer the full or part-time pursuit of their higher education until a later date. Perhaps most important, the program is losing its value as a means to help our men and women in uniform readjust to civilian life after military service.

The basic benefit program of the Vietnam era GI bill provided $493 per month in 1981 to a veteran with a spouse and two children. Before the reforms of last year, a veteran in identical circumstances received only $43 more, a mere 8 percent increase over a time period when inflation has nearly doubled, and dollar buys only half of what it once purchased.

While we made progress last year in increasing stipend levels under the GI bill, the reforms fell short of allocating sufficient funds to cover the current cost of higher education. Moreover, the increase failed to establish a benchmark, the reform most needed to ensure that the GI bill provides sufficient funds for the education of our Nation's veterans long into the 21st century.

Our new model establishes a sensible, easily understood benchmark for GI bill benefits. The benchmark sets GI bill benefits at ''the average monthly costs of tuition and expenses for commuter students at public institutions of higher education that award baccalaureate degrees.'' This commonsense provision would serve as the foundation upon which future education stipends for all veterans would be based and would set benefits at a level sufficient to provide veterans the education promised to them at recruitment.

Today's GI bill is woefully underfunded and does not provide the financial support necessary for our veterans to meet their educational goals. This amendment would provide the budget authority necessary to ensure that GI bill benefits reflect the true cost of higher education. I am very pleased that our amendment has been agreed to by both sides of the aisle and that it will become part of this budget resolution.

Mr. JOHNSON. Mr. President, I am pleased today to join Senator COLLINS in offering an amendment to the budget resolution that provides a reserve fund for veterans' education. This reserve fund will allow for legislation to be passed later this year that would increase the monthly benefit under the Montgomery GI Bill to reflect the rising cost of education.

The 1944 GI Bill of Rights is one of the most important pieces of legislation ever passed by Congress. No program has been more successful in increasing educational opportunities for our country's veterans while also providing a valuable incentive for the best and brightest to make a career out of military service.

Unfortunately, the current Montgomery GI Bill can no longer deliver these results and fails in its promise to veterans, new recruits and the men and women of the armed services.

Over 96 percent of recruits currently sign up for the Montgomery GI Bill and pay $1,200 out of their first year's pay to guarantee eligibility. But only one-half of these military personnel use any of the current Montgomery GI Bill benefits.

There is consensus among national higher education and veterans associations that at a minimum, the GI Bill should pay the costs of attending the average four-year public institution as a commuter student. The current Montgomery GI Bill benefit pays a little more than half of that cost.

In addition to our reserve fund budget amendment, Senator Collins and I have introduced legislation called the Veterans' Higher Education Opportunities Act, S.131, which creates that benchmark by indexing the GI Bill to the costs of attending the average four-year public institution as a commuter student. This benchmark cost will be updated annually by the College Board in order for the GI Bill to keep pace with increasing costs of education.

The Veterans' Higher Education Opportunities Act is truly a bipartisan effort to address recruitment and retention in the armed forces. The Veterans' Higher Education Opportunities Act has the overwhelming support of the Partnership for Veterans' Education a coalition of the nation's leading veterans groups and higher education organizations including the VFW, the American Council on Education, the Non Commissioned Officers Association, the National Association of State Universities and Land Grant Colleges, and The Retired Officers Association.

As the parent of a son who serves in the Army, these military ''quality of life'' issues are of particular concern to me. Making the GI Bill pay for viable educational opportunity makes as much sense today as it did following World War II.

Congress took an important step last year toward improving the Montgomery GI Bill. These changes are long overdue, and the next step in restoring the effectiveness of the Montgomery GI Bill is through our veterans' education reserve fund amendment to the budget resolution and the Veterans' Higher Education Opportunities Act.

I urge my colleagues to support our amendment and ask unanimous consent that letters of support for the amendment be printed in the RECORD.

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

AMERICAN COUNCIL ON EDUCATION,
GOVERNMENT AND PUBLIC AFFAIRS,
Washington, DC, April 5, 2001.

Re amendment to improve educational opportunities for veterans.

DEAR SENATOR: On behalf of the American Council on Education, representing 1,800 two- and four-year public and private colleges and universities, I write to encourage you to support Senators Collins and Johnson with their amendment to the Senate budget resolution providing a reserve fund for enhancements to the Montgomery G.I. Bill.

While the G.I. Bill has allowed more than two million veterans to pursue the dream of a college education, inflation has severely diminished the value of this vital benefit. Despite the generous intentions of the G.I. Bill, it fails in its promise to help our veterans continue their education, and must be modernized to ensure its viability as education costs continue to increase.

As a member organization of the Partnership for Veteran's Education, we strongly support this amendment, which creates a benchmark for Montgomery G.I. Bill monthly benefits equal to the average cost of a

commuter student attending a four-year public institution. The benchmark would be updated annually by the College Board, thereby guaranteeing that G.I. Bill benefits meet the rising costs of higher education. This benchmark is currently reflected in the Veterans' Higher Education Opportunities Act of 2001 (S. 131).

We urge you to support the Collins-Johnson veteran's education amendment, which will ensure that we fulfill our promise to America's veterans.

Sincerely,

TERRY W. HARTLE,
Senior Vice President.

THE RETIRED OFFICERS ASSOCIATION,
Alexandria, VA, April 4, 2001.

Hon. TIM JOHNSON,
U.S. Senate,
Washington, DC.

DEAR SENATOR JOHNSON: the Retired Officers Association (TROA) is writing to express support for the proposed amendment to the Senate Budget Resolution that you are cosponsoring with Senator COLLINS (R–ME) that would earmark in a reserve fund additional funds for needed increases in the Montgomery GI Bill (MGIB).

The ''Collins-Johnson Reserve Fund for Veterans Education Amendment'' to the FY2002 Budget Resolution would earmark $775 million in a reserve fund to support a potential increase in the MGIB under your bill, S. 131, the Veterans' Higher Education Opportunities Act of 2001. As you know, S. 131 has broad bi-partisan support including Senate Majority Leader LOTT and Senator Minority Leader DASCHLE. Should the Committee on Veterans' Affairs or the Senate favorably report legislation to increase the basic monthly benefit under the MGIB to reflect the rising cost of education for America's veterans, there would be new budget authority to cover the increase.

Indexing the MGIB to keep pace with the cost of higher education is a legislative goal of TROA and The Military Coalition. TROA supports the amendment you are co-sponsoring with Senator Collins to establish a reserve fund for veterans education and we will continue our efforts to urge passage of S. 131.

Sincerely,

STEVE STROBRIDGE,
Colonel, USAF (Ret.), Director, Government Relations.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, April 4, 2001.

Hon. TIM JOHNSON,
U.S. Senate,
Washington, DC.

DEAR SENATOR JOHNSON: On behalf of the 1.9 million members of the Veterans of Foreign Wars, we extend our deepest thanks to you for your efforts in making veterans education a priority in S. 131, legislation offered jointly by you and Senator SUSAN COLLINS.

The Montgomery GI Bill has lost ground over the last few years. It is no longer able to meet the educational needs of today's veterans. The funding level has not kept pace with the rising costs of higher education. S. 131 abates the GI Bill's loss of value by creating an index system so funding can be increased as higher education costs rise.

We also thank you for your announced intention to offer an amendment to the Senate Budget Committee to create a reserve fund for veterans education. This amendment would provide the necessary funding to implement S. 131, resulting in a significant increase in funding for the Montgomery GI Bill.

The Montgomery GI Bill is in dire need of additional resources, and we fully support your efforts, both in the original bill, and in the amendment. We are committed to working with you to make this legislation a success.

Sincerely,

DENNIS CULLINAN,
Director, National Legislative Service.

THE AMERICAN LEGION,
Washington, DC, April 4, 2001.

Hon. TIM JOHNSON,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR JOHNSON: The American Legion thanks you for offering the Collins/Johnson Reserve Fund for Veterans' Education Amendment. We fully support this amendment to the Senate Budget Resolution that would provide a reserve fund for veterans' education.

The American Legion has long supported legislation that would base veterans' educational benefits on the average cost of attending a four-year public institution as a commuter student. The Collins/Johnson amendment will provide the budgetary requirements needed to reach this goal.

The educational enhancements contained in S. 131, the Veterans' Higher Education Opportunities Act, will help to transform the current Montgomery GI Bill (MGIB) program into a true veterans' benefit that parallels the quality of the original ''GI Bill of Rights''. A strong veterans' educational benefit program will not only strengthen national defense by improving recruitment, it will also prepare veterans for a smooth transition into the civilian workforce.

Once again, The American Legion fully supports the Collins/Johnson Reserve Fund for Veterans' Education Amendment and appreciates your continued leadership in addressing the issues that are important to veterans and active duty servicemembers.

Sincerely,

STEVE A. ROBERTSON,
Director,
National Legislative Commission.

Mr. DOMENICI. Mr. President, I believe the other side will concur. I ask unanimous consent that the amendment, as modified, be agreed to and the motion to reconsider be laid upon the table.

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

The amendment (No. 214), as modified, was agreed to.

AMENDMENT NO. 182, AS MODIFIED

Mr. DOMENICI. Mr. President, I ask unanimous consent that amendment No. 182 be modified, and I send the modification to the desk. It is a Santorum amendment to amendment No. 170.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. SANTORUM, proposes an amendment numbered 182 to Amendment No. 170.

The amendment is as follows:

(Purpose: To increase in funding $353,500,000 for fiscal year 2002 for Department of Defense basic research conducted in American universities)

On page 10, line 21, increase the amount by $353,500,000.

On page 10, line 22, increase the amount by $353,500,000.

On page 43, line 15, decrease the amount by $353,500,000.

On page 43, line 16, decrease the amount by $353,500,000.

Mr. SANTORUM. Mr. President, I rise today to address the urgent need for increased levels of Department of Defense basic research funding in fiscal year 2002. I offer an amendment which will significantly increase funding for Department of Defense basic research carried out in American universities.

This past September, then-Governor George W. Bush addressed an audience at The Citadel in South Carolina and raised the notion of skipping a generation of weapons systems and of making leap ahead advances in American military capabilities. Governor Bush recognized that 21st century threats facing the United States are qualitatively different than the threats that occupied our military and our industrial base during the cold war and in the decade that followed the downfall of the Soviet Union.

Since that speech, many others have articulated a need to transform our Nation's military to better respond to these threat trends. They note that our current military is ill equipped to meet threats such as incidents of terrorism, information warfare, biological warfare, and urban conflict. The only way to meet these challenges is to redouble our energies on meeting these challenges.

While procuring updated or evolutionary weapons systems might seem like the most expeditious way to meet these new threats, I believe that we need to work our way back and look first at the basic sciences and basic research efforts that will support the development of new weapons systems. Without critical investments in Department of Defense basic research we cannot hope to make key understandings that will drive leap ahead advances or spur on revolutionary weapons systems.

Oftentimes, the funding that supports basic research for the Department of Defense has been referred to as ''seed corn'' funding. It is funding that, when properly invested, will return advances in our understanding of what we know about a property, an entity, a phenomenon, or relationship. Not all of these investments are successful in outcome, and for this reason basic research can be classified as high-risk in nature. However, these basic research investments inevitably add to our knowledge base and improve our understanding of the world.

Regrettably, we have been taking funds from these crucial accounts and using them to pay for the near-term modernization or procurement needs of today's military. While this has proven to be a useful short-term fix, in the long-run, we have compromised those resources necessary to drive innovation and leap ahead advances, advances necessary to meet 21st century threats. Part of the problem lies in the nature of basic research. Unlike investments in applied research or advanced development research, the incubation period for basic research is perhaps as long as a decade. This requires the executive and legislative branches of government to maintain a long-term focus when making budgetary decisions.

American universities offer the Department of Defense the laboratories and knowledge base necessary to successfully complete this transformation objective. The Department of Defense has historically played a major federal role in funding basic research and has been a significant sponsor of engineering research and technology development conducted in American universities. For over 50 years, Department of Defense investment in university research has been a dominant element of the nation's research and development infrastructure and an essential component of the United states capacity for technological innovation.

According to recent figures, 54 percent of all Department of Defense-sponsored basic research is performed in American universities. Furthermore, in aeronautical, electrical and mechanical engineering, the Department of Defense's share of governmentwide investment exceeds 50 percent. In addition, with respect to the fields of mathematics and computer science, the Department of Defense accounts for nearly 50 percent of all federal investment. Moreover, Department of Defense basic research programs make a significant contribution to the national economy by educating new generations of scientists and engineers and by helping to maintain a university research infrastructure that is the envy of the world.

The unpredictability of long-term research in combination with shortened product cycles and an intense competition has led many private sector companies to retrench their research programs to focus on near-term product development. Only the Department of Defense and other Federal agencies can invest in university research at the levels required to meet future challenges to American security, prosperity and health.

Throughout the decades of the 1950's, 1960's, 1970's and 1980's, the Department of Defense and other Federal agencies sustained their commitments to these investments in American universities. This investment can be measured by the number of systems relied upon by America today to project power and maintain our interests around the globe. For example, fundamental stimulated emission basic research at Columbia University in the 1950's led to military advances in lasers necessary for precision weapon guidance capabilities. Department of Defense basic research funds supported activities at the California Institute of Technology in the 1970's which studied metal semiconductor field effect transistor gallium-arsenide devices now used in ballistic missile ground-based radar. Department of Defense basic research funding supported scientific study at the Massachusetts Institute of Technology and Stanford University on lightweight composite structural materials now utilized by the Marine Corps' AV–8B Harrier aircraft.

As I mentioned earlier, the incubation period for basic research can be as long as a decade. Companies competing in today's market-driven, global economy, are now reducing their investments in long-term, high-risk research. It is up to the federal government to make the critical investment in this high-risk, long-term research if we are to make revolutionary or leap ahead scientific breakthroughs.

Without increased investment in Department of Defense basic research, the number of graduate student opportunities to pursue Department of Defense research cannot increase. A decline in the pool of scientists, engineers, mathematicians, and skilled technicians will prevent the Department of Defense from achieving success in the pursuit of leap ahead technologies. In addition, our cadre of skilled scientists and engineers—cultivated by Department of Defense basic research funds—are the individuals who will drive innovation in the areas of our economy which depend on advances in science and technology.

In the end, there has to be a recognition by U.S. policy leaders that these critical funds are crucial to the U.S. military being able to meet future threats. A recent Defense Science Board (DSB) Task Force identified several key capabilities that would be necessary to allow our military forces to meet future warfighting challenges. The capabilities identified by the DSB Task Force were: Response to engineered biological threats; real-time surveillance and targeting, especially hidden and moving targets; and real-day projection of dominant U.S./Coalition military forces.

For advances to occur in these capabilities, we will first need to make wise investments in key enabling technologies. Department of Defense basic research can provide the stimulus to make this possible. Examples of key enabling technologies include: biotechnology; information technology; microsystems; and energy and materials. The DSB Task Force report observed that commercial sector investment in these technologies are short-term in nature, as opposed to long-term. In addition, the DSB Task Force recommended a focus on the interdisciplinary combinations of these technologies, as it is in these intersections that the truly revolutionary advances in military capabilities take place.

For fiscal year 2001, President Clinton requested $1.22 billion in funding for Department of Defense basic research. Congress, for fiscal year 2001, appropriated $1.35 billion for Department of Defense basic research. With this in mind, my amendment is quite reasonable and, I believe, quite modest. For fiscal year 2002, I propose investing an additional $353.5 million in Department of Defense basic research funding spent in American universities. This amendment begins the process of transforming our military to meet 21st century threats.

Given the importance of these funds in making leap ahead advances in our military capabilities and because our quality of life as Americans is tied to basic research, I believe this is an initiative Congress should support with great enthusiasm.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the amendment, as modified, be agreed to and the motion to reconsider be laid upon the table.

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

The amendment (No. 182), as modified, was agreed to.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator TIM HUTCHINSON of Arkansas be added as a cosponsor of amendment No. 317.

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

AMENDMENT NO. 297

Mr. DOMENICI. Mr. President, we have a series of amendments that have been cleared. I repeat, none of these adds any spending money; they are budget neutral.

First is amendment No. 297, which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, proposes an amendment numbered 297.

The amendment is as follows:

(Purpose: To provide a reserve fund for refundable tax credits)

At the end of title II, insert the following:

SEC. . RESERVE FUND FOR REFUNDABLE TAX CREDITS.

In the Senate, if any bill reported by the Committee on Finance, amendment thereto, or conference report thereon, has refundable tax provisions that increase outlays, the Chairman of the Committee on the Budget may increase the amount of new budget authority (and outlays flowing therefrom) allocated to the Committee on Finance by the amount provided by such provisions and adjust the budget aggregates and reconciliation directions set forth in this resolution, as applicable, accordingly, but only to the extent that the increase in outlays and reduction in revenues resulting from such bill does not exceed the amounts specified in section 101.

Mr. DOMENICI. This is Senator BINGAMAN's amendment on scorekeeping. We have nothing further to add.

Mr. CONRAD. No objection on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 297) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 328, AS MODIFIED

Mr. DOMENICI. Mr. President, I have a modification on behalf of Senator CLINTON. I ask unanimous consent that it be appropriate to modify amendment No. 328. I send the amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mrs. CLINTON, proposes an amendment numbered 328, as modified.

Mr. DOMENICI. 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:

(Purpose: To strengthen our national food safety infrastructure by increasing the number of inspectors within the Food and Drug Administration to enable the Food and Drug Administration to inspect high-risk sites at least annually, supporting research that enables us to meet emerging threats, improving surveillance to identify and trace the sources and incidence of food-borne illness, and otherwise maintaining at least current funding levels for food safety initiatives at the Food and Drug Administration and the United States Department of Agriculture)

On page 43, line 16, decrease the amount by $32,000,000.

On page 48, line 8, increase the amount by $40,000,000.

On page 48, line 9, increase the amount by $32,000,000.

Mr. DOMENICI. This affects food safety. We have no objection to the amendment.

Mr. CONRAD. We support the amendment on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 328), as modified, was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 219

Mr. DOMENICI. Mr. President, on behalf of Senator REID, I call up amendment No. 219.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. REID, proposes an amendment numbered 219.

Mr. DOMENICI. 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:

(Purpose: To express the sense of the Senate on the substitute amendment to H. Con. Res. 83 with respect to increasing funds for renewable energy research and development)

On page 16, line 5 after ''authority,'' strike ''$871,000,000'' insert ''$1,321,000,000 and, notwithstanding any other provisions of the Resolution, it is the Sense of the Senate that the levels in this Resolution assume:

(1) That renewable energy resources can provide the nation and the world with clean and sustainable sources of power;

(2) That renewable energy technologies developed and deployed in the U.S. and exported abroad will improve our environment and balance of trade;

(3) That increased reliance on renewable energy resources to satisfy the nation's growing need for power can provide jobs, reliable electricity supplies, and reduce conventional pollution and greenhouse gas emissions;

(4) That research and development of renewable energy resources should be supported strongly by the Federal government;

(5) That a minimum of $450 million in FY02 shall be allocated to accelerate the research, development and deployment of wind, photovoltaic, geothermal, solar thermal, biomass and other renewable energy technologies; and,

(6) Further, that the amount assumed for renewable energy research and development shall increase by greater than the rate of inflation for each subsequent year.

Mr. DOMENICI. This amendment has to do with energy research. We have nothing further to say on the amendment. It is acceptable on our side.

Mr. CONRAD. Mr. President, we strongly support the amendment on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 219) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 325

Mr. DOMENICI. Mr. President, on behalf of Senator DASCHLE, I ask that amendment No. 325 be called up.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DASCHLE, for himself, Mr. JOHNSON, Mrs. MURRAY, Mr. BINGAMAN, Mr. BAUCUS, Mr. DOMENICI, Mr. CONRAD, and Mr. INOUYE, proposes an amendment numbered 325.

Mr. DOMENICI. 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:

(Purpose: To increase discretionary funding for the Indian Health Service by decreasing the size of the tax cut for the wealthiest Americans)

On page 2, line 17, increase the amount by $4,200,000,000.

On page 2, line 18, increase the amount by $4,580,000,000.

On page 3, line 1, increase the amount by $5,290,000,000.

On page 3, line 2, increase the amount by $5,790,000,000.

On page 3, line 3, increase the amount by $6,320,000,000.

On page 3, line 4, increase the amount by $6,890,000,000.

On page 3, line 5, increase the amount by $7,490,000,000.

On page 3, line 6, increase the amount by $8,160,000,000.

On page 3, line 7, increase the amount by $8,890,000,000.

On page 3, line 8, increase the amount by $9,650,000,000.

On page 3, line 13, decrease, the amount by $4,200,000,000.

On page 3, line 14, decrease, the amount by $4,580,000,000.

On page 3, line 15, decrease, the amount by $5,290,000,000.

On page 3, line 16, decrease, the amount by $5,790,000,000.

On page 3, line 17, decrease, the amount by $6,320,000,000.

On page 3, line 18, decrease, the amount by $6,890,000,000.

On page 3, line 19, decrease, the amount by $7,490,000,000.

On page 3, line 20, decrease, the amount by $8,160,000,000.

On page 3, line 21, decrease, the amount by $8,890,000,000.

On page 3, line 22, decrease, the amount by $9,650,000,000.

On page 4, line 3, increase the amount by $4,580,000,000.

On page 4, line 4, increase the amount by $5,290,000,000.

On page 4, line 5, increase the amount by $5,790,000,000.

On page 4, line 6, increase the amount by $6,320,000,000.

On page 4, line 7, increase the amount by $6,890,000,000.

On page 4, line 8, increase the amount by $7,490,000,000.

On page 4, line 9, increase the amount by $8,160,000,000.

On page 4, line 10, increase the amount by $8,890,000,000.

On page 4, line 11, increase the amount by $9,650,000,000.

On page 4, line 17, increase the amount by $4,580,000,000.

On page 4, line 18, increase the amount by $5,290,000,000.

On page 4, line 19, increase the amount by $5,790,000,000.

On page 4, line 20, increase the amount by $6,320,000,000.

On page 4, line 21, increase the amount by $6,890,000,000.

On page 4, line 22, increase the amount by $7,490,000,000.

On page 4, line 23, increase the amount by $8,160,000,000.

On page 5, line 1, increase the amount by $8,890,000,000.

On page 5, line 2, increase the amount by $9,650,000,000.

On page 28, line 23, increase the amount by $4,200,000,000.

On page 28, line 24, increase the amount by $4,200,000,000.

On page 29, line 2, increase the amount by $4,580,000,000.

On page 29, line 3, increase the amount by $4,580,000,000.

On page 29, line 6, increase the amount by $5,290,000,000.

On page 29, line 7, increase the amount by $5,290,000,000.

On page 29, line 10, increase the amount by $5,790,000,000.

On page 29, line 11, increase the amount by $5,790,000,000.

On page 29, line 14, increase the amount by $6,320,000,000.

On page 29, line 15, increase the amount by $6,320,000,000.

On page 29, line 18, increase the amount by $6,890,000,000.

On page 29, line 19, increase the amount by $6,890,000,000.

On page 29, line 22, increase the amount by $7,490,000,000.
On page 29, line 23, increase the amount by $7,490,000,000.
On page 30, line 2, increase the amount by $8,160,000,000.
On page 30, line 3, increase the amount by $8,160,000,000.
On page 30, line 6, increase the amount by $8,890,000,000.
On page 30, line 7, increase the amount by $8,890,000,000.
On page 30, line 10, increase the amount by $9,650,000,000.
On page 30, line 11, increase the amount by $9,650,000,000.
On page 43, line 15, decrease the amount by $4,200,000,000.
On page 43, line 16, decrease the amount by $4,200,000,000.
On page 48, line 8, increase the amount by $4,200,000,000.
On page 48, line 9, increase the amount by $4,200,000,000.

INDIAN HEALTH CARE AMENDMENT TO THE BUDGET RESOLUTION

Mr. DASCHLE. Mr. President, this amendment addresses a huge, but simple problem. American Indians and Alaska Natives were guaranteed health insurance. They are not getting it.

The Indian Health Service is supposed to provide full health coverage and care to every Indian in the country. In fiscal year 2002, the cost of that care is conservatively estimated at $6 billion. The IHS budget for those Personal Clinical Services is $1.8 billion. My amendment would give the Indian Health Service the $4.2 billion it needs to provide the basic, essential health coverage it is required to provide.

What is happening now without that critical funding? Health care is being rationed, often with tragic results. Indians are being told they face a literal ''life or limb'' test. They cannot see a doctor unless their life is threatened or they are about to lose a limb. They are told they have to wait until they get worse; then, if there is any money left, they might get treatment. Non-emergency care is routinely denied.

It's hard to believe this is happening in America in 2001, but it is.

And the pain is felt not just in Indian Country, but also in the surrounding areas where non-IHS facilities try to fill in some of the treatment gaps. Because IHS has no money to reimburse them, they are facing their own budget crises.

The problem is real; the solution is simple. Give the Indian Health Service the funds it needs to provide 2.45 million Native Americans the health benefits they have been promised.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be added as an original cosponsor.

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

Mr. DOMENICI. We have no objection to the amendment.

Mr. CONRAD. Mr. President, I, too, want to be listed as an original cosponsor of the amendment.

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

Mr. CONRAD. This is an amendment that deals with Indian health and is strongly supported on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 325) was agreed to.

AMENDMENT NO. 246

Mr. DOMENICI. Mr. President, I ask that amendment No. 246 be called up.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. SMITH of Oregon, proposes an amendment numbered 246.

Mr. DOMENICI. 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:

On page 5, line 8, decrease the amount by $100,000,000.
On page 4, line 3, increase the amount by $100,000,000.
On page 4, line 17 increase the amount by $100,000,000.
On page 17, line 23, increase the amount by $100,000,000.
On page 17, line 24, increase the amount by $100,000,000.
On page 18, line 2, increase the amount by $100,000,000.
On page 18, line 3, increase the amount by $100,000,000.
On page 43, line 15, decrease the amount by $100,000,000.
On page 43, line 16, decrease the amount by $100,000,000.

Mr. SMITH of Oregon. Mr. President, I rise today to introduce an amendment to the Senate Budget Resolution for Fiscal Year 2002. This amendment would increase the construction funds available to the Bureau of Reclamation by $100 million annually in fiscal years 2002 and 2003.

Mr. President, there is a crying need for water infrastructure in the Western United States. Many existing Reclamation projects are over 40 years old and need improvements and rehabilitation. A new environmental ethic has caused projects to provide more water for the environment, or to be reconfigured to be more environmentally friendly. These types of construction projects include screening diversions, lining canals, and temperature control devices.

The 106th Congress authorized several new projects to be funded by the Bureau of Reclamation, including the Lewis and Clark Water Supply Project in South Dakota, and a reconfigured Dakota Water Supply Project for North Dakota. The views and estimates of the Senate Energy Committee also anticipated Committee action on a major Indian water settlement in Arizona, and the enactment of a CAL–FED authorizations bill.

In the face of these existing and anticipated demands on the Reclamation budget, construction funds available to the agency declined thirty-six percent over the last ten years. This bipartisan amendment would provide $100 million in additional construction funds for the Bureau of Reclamation in both 2002 and 2003. In 2002, the funds come from the function 920 account. In 2003, they come from the budget surplus.

As the National Urban Agricultural Council aptly stated: ''It is time to turn the corner on the funding for the Bureau and put it on a course so that the West is not left withering in the desert.'' I urge my colleagues' support of this amendment.

Mr. CONRAD. Mr. President, we do not have a copy of this amendment.

Mr. DOMENICI. Let's make it sound better and say we thought we had given it to the Senator but perhaps we did not.

Mr. CONRAD. The Senator may well have. As the Senator from New Mexico knows, we are dealing with a large number of amendments. We just do not have it in the stack of amendments.

Mr. DOMENICI. We have no objection to the amendment.

Mr. CONRAD. We support this amendment on this side as well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 246) was agreed to.

Mr. DOMENICI. This is a zero effect amendment. It affects the Bureau of Reclamation without affecting the budget in any way. It is a neutral amendment.

Mr. CONRAD. We agree, Mr. President, that it is budget neutral.

Mr. DOMENICI. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 283, AS MODIFIED

Mr. DOMENICI. Mr. President, we have reached agreement on a budget-neutral amendment, a modification to amendment No. 283. I ask unanimous consent that I be permitted to send a modification to amendment No. 283 to the desk. The principal sponsors are Mr. SMITH of Oregon, Mr. HARKIN, Mr. LEAHY, Ms. SNOWE, Mr. CRAPO, and Mrs. BOXER.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. SMITH of Oregon, for himself, Mr. HARKIN, Mr. LEAHY, Ms. SNOWE, Mr. CRAPO, and Mrs. BOXER, proposes an amendment numbered 283, as modified.

Mr. DOMENICI. 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, as modified, is as follows:

(Purpose: To provide an increase in funds of $1.3 billion in fiscal year 2002 for the promotion of voluntary agriculture and forestry conservation programs that enhance and protect natural resources on private lands and without taking from the HI Trust Fund)

On page 17, line 23, increase the amount by $1,300,000,000.

On page 17, line 24, increase the amount by $1,300,000,000.

On page 43, line 15, decrease the amount by $1,300,000,000.

On page 43, line 16, decrease the amount by $1,300,000,000.

Mr. SMITH of Oregon. Mr. President, I want to thank the distinguished Chairman and Ranking Member of the Senate Budget Committee for helping to reach this agreement to adopt this amendment today. While this modified version does not contain the $2.7 billion in fiscal year 2003 that the original did, it does call for the $1.3 billion increase in fiscal year 2002 for agriculture conservation under function 300 of the budget. This amount, combined with $350 million authorized under an amendment adopted yesterday, totals more than $1.6 billion for conservation activities in fiscal year 2002.

As our farmers and ranchers are faced with new environmental regulations and development pressures, agriculture conservation programs become even more important. Right now, demand for conservation assistance far outstrips available funding for such programs as the Environmental Quality Incentives Program. In addition, there is a need for more NRCS technical assistance support and a new incentives-based conservation initiative such as the Conservation Security Act.

I want to thank Senators HARKIN, LEAHY, SNOWE, CRAPO, BOXER, WYDEN, DAYTON, BINGAMAN, LEVIN, DURBIN, JOHNSON, and LANDRIEU who joined me in introducing this bipartisan amendment. I have enjoyed working with them and believe that we have a growing core of interest in agriculture conservation funding here in the Senate. I look forward to working closely with my friends on both sides of the aisle to pursue this funding in the upcoming conference on the budget as well as in future agriculture appropriations acts.

Mr. DOMENICI. We have no objection to the amendment, as modified, on this side.

Mr. CONRAD. We support the amendment, as modified, on this side as well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 283), as modified, was agreed to.

Mr. DOMENICI. I repeat, this amendment does not increase spending. It is a neutral amendment.

Mr. CONRAD. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 197

Mr. DOMENICI. Mr. President, I have three amendments we want to voice vote. The first one is amendment No. 197 by Senator DORGAN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DORGAN, proposes an amendment numbered 197.

Mr. DOMENICI. 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:

(Purpose: To increase budget authority and outlays in Function 450 (Community and Regional Development) by $2,300,000,000 to establish a venture capital fund to make equity investments in businesses with high job-creating potential located or locating in rural counties that have experienced economic hardship caused by net outmigration of 10 percent or more between 1980 and 1998 and are situated in States in which 25 percent or more of the rural counties have experienced net outmigration of 10 percent or more over the same period, based on Bureau of the Census statistics; to make available $200,000,000 to that fund for each of fiscal years 2002 through 2011; to require a substantial investment from State government and private sources and to guarantee up to 60 percent of each authorized private investment; and to express the sense of the Senate that this funding should be offset by a transfer of $2,300,000,000 from the surplus amounts held by Federal Reserve banks)

On page 2, line 17, increase the amount by $230,000,000.

On page 2, line 18, increase the amount by $230,000,000.

On page 3, line 2, increase the amount by $230,000,000.

On page 3, line 3, increase the amount by $230,000,000.

On page 3, line 4, increase the amount by $230,000,000.

On page 3, line 5, increase the amount by $230,000,000.

On page 3, line 6, increase the amount by $230,000,000.

On page 3, line 7, increase the amount by $230,000,000.

On page 3, line 8, increase the amount by $230,000,000.

On page 3, line 13, decrease the amount by $230,000,000.

On page 3, line 14, decrease the amount by $230,000,000.

On page 3, line 15, decrease the amount by $230,000,000.

On page 3, line 16, decrease the amount by $230,000,000.

On page 3, line 17, decrease the amount by $230,000,000.

On page 3, line 18, decrease the amount by $230,000,000.

On page 3, line 19, decrease the amount by $230,000,000.

On page 3, line 20, decrease the amount by $230,000,000.

On page 3, line 21, decrease the amount by $230,000,000.

On page 3, line 22, decrease the amount by $230,000,000.

On page 4, line 17, increase the amount by $230,000,000.

On page 4, line 18, increase the amount by $230,000,000.

On page 4, line 19, increase the amount by $230,000,000.

On page 4, line 20, increase the amount by $230,000,000.

On page 4, line 21, increase the amount by $230,000,000.

On page 4, line 22, increase the amount by $230,000,000.

On page 4, line 23, increase the amount by $230,000,000.

On page 5, line 1, increase the amount by $230,000,000.

On page 5, line 2, increase the amount by $230,000,000.

On page 25, line 6, increase the amount by $2,300,000,000.

On page 25, line 7, increase the amount by $230,000,000.

On page 25, line 11, increase the amount by $230,000,000.

On page 25, line 15, increase the amount by $230,000,000.

On page 25, line 19, increase the amount by $230,000,000.

On page 25, line 23, increase the amount by $230,000,000.

On page 26, line 3, increase the amount by $230,000,000.

On page 26, line 7, increase the amount by $230,000,000.

On page 26, line 11, increase the amount by $230,000,000.

On page 26, line 15, increase the amount by $230,000,000.

On page 26, line 19, increase the amount by $230,000,000.

On page 43, line 15, decrease the amount by $2,300,000,000.

On page 43, line 16, decrease the amount by $230,000,000.

On page 48, line 8, increase the amount by $2,300,000,000.

On page 48, line 9, increase the amount by $230,000,000.

At the end, add the following:

SEC. . SENSE OF THE SENATE ON THE USE OF FEDERAL RESERVE SURPLUSES.

It is the sense of the Senate that the levels in this resolution assume that the $2,300,000,000 increase in revenues over the 2002 through 2011 fiscal year period should be achieved through the transfer of funds from the surplus funds of the Federal Reserve banks to the Treasury.

Mr. DOMENICI. Mr. President, we oppose this amendment, but we are willing to do this on a voice vote. I have nothing further to say. This adds money to function 470 of the budget. We are against it, but we will have a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 197.

The amendment (No. 197) was rejected.

AMENDMENT NO. 198

Mr. DOMENICI. I call up amendment No. 198 on behalf of Senator DORGAN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DORGAN, proposes an amendment numbered 198.

Mr. DOMENICI. 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:

(Purpose: To eliminate the Bureau of Indian Affairs school construction backlog and to increase funding for Indian health services, by transferring funds from the surplus amounts held by Federal Reserve banks)

On page 2, line 17, increase the amount by $713,440,000.

On page 2, line 18, increase the amount by $713,440,000.

On page 3, line 1, increase the amount by $713,440,000.
On page 3, line 2, increase the amount by $713,440,000.
On page 3, line 13, decrease the amount by $713,440,000.
On page 3, line 14, decrease the amount by $713,440,000.
On page 3, line 15, decrease the amount by $713,440,000.
On page 3, line 16, decrease the amount by $713,440,000.
On page 4, line 3, increase the amount by $732,000,000.
On page 4, line 4, increase the amount by $732,000,000.
On page 4, line 5, increase the amount by $732,000,000.
On page 4, line 17, increase the amount by $713,440,000.
On page 4, line 18, increase the amount by $713,440,000.
On page 4, line 19, increase the amount by $713,440,000.
On page 25, line 6, increase the amount by $232,000,000.
On page 25, line 7, increase the amount by $213,440,000.
On page 25, line 10, increase the amount by $232,000,000.
On page 25, line 11, increase the amount by $213,440,000.
On page 25, line 14, increase the amount by $232,000,000.
On page 25, line 15, increase the amount by $213,440,000.
On page 25, line 18, increase the amount by $232,000,000.
On page 25, line 19, increase the amount by $213,440,000.
On page 28, line 23, increase the amount by $500,000,000.
On page 28, line 24, increase the amount by $500,000,000.
On page 29, line 2, increase the amount by $500,000,000.
On page 29, line 3, increase the amount by $500,000,000.
On page 29, line 6, increase the amount by $500,000,000.
On page 29, line 7, increase the amount by $500,000,000.
On page 29, line 10, increase the amount by $500,000,000.
On page 29, line 11, increase the amount by $500,000,000.
On page 43, line 15, increase the amount by $732,000,000.
On page 43, line 16, increase the amount by $713,440,000.
On page 48, line 8, increase the amount by $732,000,000.
On page 48, line 9, increase the amount by $713,440,000.

At the appropriate place, insert the following:

SEC. ___. USE OF FEDERAL RESERVE SURPLUSES.

It is the sense of the Senate that levels in this resolution assume that the $2,853,670,000 increase in revenue over the 2002 through 2005 fiscal year period should be achieved through the transfer of funds from the surplus funds of the Federal reserve banks to the Treasury.

Mr. DOMENICI. Mr. President, we oppose this amendment but are willing to do it on a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 198.

The amendment (No. 198) was rejected.

AMENDMENT NO. 261

Mr. DOMENICI. Mr. President, we have a third amendment. We hope the same treatment befalls this amendment. This is Conrad amendment No. 261.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 261.

Mr. DOMENICI. 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.'')

The PRESIDING OFFICER. The question is on agreeing to amendment No. 261.

The amendment (No. 261) was rejected.

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

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

AMENDMENT NO. 183

Mr. DOMENICI. Mr. President, we are prepared to proceed with some additional amendments. We call up amendment No. 183, the Kerry-Bond amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. KERRY, Mr. BOND, Mr. BINGAMAN, Mr. WELLSTONE, Ms. LANDRIEU, Mr. DASCHLE, Mr. LEAHY, and Mr. JOHNSON, proposes an amendment numbered 183.

Mr. DOMENICI. I ask unanimous consent reading of the amendment be dispensed.

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

The amendment is as follows:

(Purpose: To revise the budget for fiscal year 2002 so that the small business programs at the Small Business Administration are adequately funded and can continue to provide loans and business assistance to the country's 24 million small businesses, and to restore and reasonably increase funding to specific programs at the Small Business Administration because the current budget request reduces funding for the Agency by a minimum of 26 percent at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow)

On page 21, line 15, increase the amount by $264,000,000.
On page 21, line 16, increase the amount by $154,000,000.
On page 43, line 15, decrease the amount by $264,000,000.
On page 43, line 16, decrease the amount by $154,000,000.
On page 48, line 8, increase the amount by $264,000,000.
On page 48, line 9, increase the amount by $154,000,000.

Mr. DOMENICI. Mr. President, we accept that amendment and we are willing to do that at this time.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. If the distinguished managers would not object, I know Senator KERRY would like to add a brief statement.

A recent visitor to my Small Business Committee office spoke excitedly that his small business won a Government contract. But when he sought financing at a local bank, the bank would not lend to him unless he was willing to pay a 28-percent interest rate. It is odd to see the Government willing to do business with him but banks consider the small business too risky. The SBA fills that role, and this amendment will ensure that the SBA can continue to do that.

I urge adoption of this bipartisan amendment on SBA. The funds are critical for SBA programs such as HUBZones, 7(a) loan programs, and the BDC program.

Mr. KERRY. Mr. President, I am offering an amendment that ensures the small business programs at the Small Business Administration are adequately funded for FY 2002 and can continue to provide loans and business assistance to the country's 24 million small businesses. It is necessary to restore and reasonably increase funding to specific programs, such as the 7(a) loan program and the Women's Business Centers, at the SBA because the current budget request would reduce funding for the agency by a minimum of 26 percent. These cuts come at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks surveyed have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow. This amendment also shores up resources for the agency's management training and counseling programs, which are sometimes more important to the success of small businesses than loans.

This amendment is not controversial, and it is bipartisan. I want to thank my colleagues—Senators BOND, BINGAMAN, WELLSTONE, LANDRIEU, DASCHLE, LEAHY, JOHNSON, SCHUMER, COLLINS, LEVIN, and SNOWE—for cosponsoring what I consider sensible and realistic changes to the budget.

In order to foster small businesses creation and growth in this country, we need to restore $264 million to the SBA's budget for FY2002. That amount would leverage $13.2 billion in loans and venture capital and counsel more than one million entrepreneurs. That may seem tiny compared to some amendments we've been considering, but let me assure you the impact is great on the economy. Small businesses provide 50 percent of private-sector jobs. For less than $2 per taxpayer, we can provide access to credit and capital for our nation's job creators.

Mr. President, every single State in this Nation benefits from the small business support the SBA provides. I ask my colleagues to vote for this amendment.

I ask unanimous consent that letters of support and a summary of the amendment be printed in the RECORD.

THE NATIONAL ASSOCIATION OF GOVERNMENT GUARANTEED LENDERS, INC.,
Stillwater, OK, April 5, 2001.

Hon. JOHN F. KERRY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KERRY: I am writing on behalf of NAGGL's nearly 700 members in support of your amendment, number 183, to the Budget Resolution that would revise the proposed budget for the Small Business Administration in fiscal year 2002. Specifically, your amendment would restore $264 million to the SBA's budget in fiscal year 2002 of which $118 million is earmarked for the agency's 7(a) guaranteed loan program. We strongly believe it is in the best interest of small business that your amendment be adopted.

The present budget proposes no fiscal year 2002 appropriations for the 7(a) loan program and instead proposes to make the program self-funding through the imposition of increased fees. The previous SBA Administrator testified before the House Small Business Committee last year that the 7(a) program was already being run at a ''profit'' to the government. This statement was confirmed in a September 2000 Congressional Budget Office report entitled ''Credit Subsidy Reestimates, 1993–1999.'' Unfortunately, the budget as currently proposed would, in our view, have the effect of imposing additional taxes by increasing program fees. This result would be ironic given the Administration's push for tax cuts.

A recent survey of NAGGL's membership, who currently make approximately 80 percent of SBA 7(a) guaranteed loans, shows that if the budget were adopted as proposed, most lenders would significantly curtail their 7(a) lending activities. Therefore, small businesses would find it more difficult and expensive to obtain crucial long-term financing. The proposed budget would increase the lender's cost of making a loan by 75 percent and would increase the direct cost to the borrower by 12 percent. Any fee increase is unacceptable when the program is already profitable for the government.

The small business consequences of a slowdown in 7(a) guaranteed lending are manifold. Currently, according to statistics available from the Federal Deposit Insurance Corporation and the SBA, approximately 30 percent of all long-term loans, those with a maturity of 3 years or more, carry an SBA 7(a) guarantee. This is because lenders generally are unwilling to make long-term loans with a short-term deposit base. Therefore, reducing the availability of 7(a) capital to small businesses will have a significant effect on them and on the economy.

The average maturity for an SBA 7(a) guaranteed loan is 14 years. The average conventional small business loan carries an average maturity of one year or less. For those conventional loans with original maturities over one year, the average maturity is just three years. The majority of SBA 7(a) borrowers are new business startups or early stage companies. The longer maturities provided by the SBA 7(a) loan program give small businesses valuable payment relief, as the longer maturity loans carry substantially lower monthly payments.

For example, if a small business borrower had to take a 5 year conventional loan instead of a 10 year SBA 7(a) loan, the result would be a 35%–40% increase in monthly payments. The lower debt payments are critical to startup and early stage companies. Small business loans, where they can be found, would have vastly increased monthly payments. This at a time when the economy appears to be struggling and when bank regulators have spurred banks to tighten credit criteria, the current budget only proposes to worsen the situation for small business borrowers.

Your amendment would help mitigate this problem. It would provide small businesses far better access to long-term financing on reasonable terms and conditions at a time when their access to such capital is critical. We urge your colleagues to support your initiative and adopt your amendment.

Respectfully,
ANTHONY R. WILKINSON.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. HISPANIC CHAMBER OF COMMERCE,
Washington, DC, April 5, 2001.

Hon. JOHN F. KERRY,
Ranking Member, Senate Small Business Committee, Russell Senate Office Building, Washington, DC.

DEAR SENATOR KERRY: We write in support of the Kerry/Bond Amendment to restore $264 million of the proposed cuts to the Small Business Administration's (SBA) budget. We further support the amendment's proposal to have these funds come out of the contingency fund and not the tax cut or the Medicare/Social Security trust fund. Your amendment would ensure that the small business programs at the SBA are adequately funded and continue to provide loan and business assistance to Hispanic-owned small businesses in this country.

The United States Hispanic Chamber of Commerce (USHCC) represents the interest of approximately 1.5 million Hispanic-owned businesses in the United States and Puerto Rico. With a network of over 200 local Hispanic chambers of commerce across the country, the USHCC stands as the preeminent business organization that promotes the economic growth and development of Hispanic entrepreneurs.

The SBA programs that are currently in jeopardy of losing funds have been extremely instrumental in helping our Hispanic entrepreneurs start and maintain successful businesses in the United States. Without these programs, the Hispanic business community will suffer huge setbacks to the strides we have been able to achieve over the years. It is therefore necessary to restore and increase funding to these programs so that the Hispanic business community will continue to experience economic growth and success in this country.

We support your efforts and urge other members of the Senate to support the Kerry/Bond amendment in restoring these necessary funds to the SBA.

Respectfully submitted,
MARITZA RIVERA,
Vice President for Government Relations.

INDEPENDENT COMMUNITY BANKERS OF AMERICA,
Washington, DC, April 5, 2001.

To: Members of the U.S. Senate.

From: Independent Community Bankers of America.

Re ICBA support the Kerry-Bond amendment to preserve small business loan programs and to prevent new fees.

On behalf of the 5,300 members of the ICBA, we support the Kerry-Bond amendment to the FY 2002 Budget and urge all Senators to join in support of this important bipartisan amendment. The amendment to be offered by Sens. John Kerry (D-Mass) and Christopher Bond (R-Missouri) would prevent new hidden taxes in the form of additional fees imposed on small business lenders and borrowers. The proposed FY 2002 Budget pending in the Senate would levy significant new fees on the SBA 7(a) loan program. These increased fees would jeopardize needed lending and credit to small business at the worst possible time as our economy has slowed dramatically and small business lending has become more difficult. Therefore, the Kerry-Bond amendment would restore the appropriation for the 7(a) small business loan program and prevent onerous new fees from being levied on borrowers and lenders.

This amendment shares bipartisan support. The Chairmen and Ranking Members of the Senate Small Business Committees oppose new taxes on small businesses in the form of higher loan fees. Specifically, Small Business Committee Chairman Chris Bond and Ranking Member John Kerry have asked for the $118 million appropriation to support the 7(a) loan program to be restored in the FY 2002 Budget. The ICBA applauds the bipartisan efforts of Sens. Kerry and Bond in offering their amendment.

We urge every Senators' support for the Kerry-Bond amendment so that small businesses have continued access to needed credit and that the 7(a) loan program is not devastated by taxing new fees.

ASSOCIATION OF SMALL BUSINESS DEVELOPMENT CENTERS,
Burke, VA.

Hon. JOHN F. KERRY,
Ranking Minority Member, Senate Small Business Committee, Russell Senate Office Building, Washington, DC.

DEAR SENATOR: We wish to commend you for proposing an amendment to the Budget Resolution calling for the restoration of funding for the Small Business Development Center (SBDC) and 7(a) Guaranteed Loan Programs. During this period of economic downturn, it is even more important that funding for these two critically important programs not be compromised as hundreds of thousands of small businesses will need management and technical assistance and long term debt financing more than ever.

As for the SBDC Program specifically, we are proud to report that the most recent impact survey of the program found that in one year SBDC's helped small businesses create 92,000 new jobs, generate $630 million in new tax revenues, increased by 67,000 the number of entrepreneurs counseled above previous levels, and provided training to more than 84,000 small business owners than were trained during the last reporting period. In all, over 750,000 small business and preventure clients received SBDC assistance in the last fiscal year. And that was during good economic times.

Your seeking funding of $105,000,000 for the SBDC Program is bipartisan as Senator Kit Bond, Chairman of the senate Small Business Committee in his Views and Estimates letter to the Senate Budget Committee called for the same funding level. Likewise

Senator Bond opposed any funding cut for the 7(a) Guaranteed Loan Program. Both recommendations we applaud.

We also understand that your amendment would restore funding for the New Markets and PRIME programs. This association has taken no formal position regarding funding for these well intended programs.

thank you for soliciting our views. We appreciate your leadership regarding these two outstanding SBA programs.

Sincerely,

DONALD T. WILSON,
Director of Government Relations.

WESST CORP,
Albuquerque, NM, April 5, 2001.

Hon. JOHN F. KERRY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KERRY: On behalf of the Association of Women's Business Centers, I am writing to voice our full support for the amendment you have introduced (#183) which would provide adequate funding for the Small Business Administration's programs targeted to lending and business assistance.

As you know, the SBA programs serve the credit and business development needs of women, minorities, and low-income entrepreneurs all across the United States and Puerto Rico. It is absolutely critical that these programs, particularly the Women's Business Centers Program, the Microloan Program, PRIME, and the National Women's Business Council, receive the funding you have recommended in your amendment so that existing and emerging entrepreneurs throughout the country continue to have opportunities to realize the American dream of business ownership.

As an advocate for tens of thousands of women business owners across the country, the AWBC applauds your vision and leadership in helping to ensure that these critical SBA programs continue to serve the entrepreneurial and credit needs of the American people.

We look forward to working with you in the months ahead to ensure the passage of this amendment.

Thank you very much for your ongoing support.

Sincerely,

AGNES NOONAN,
Chair, AWBC Policy Committee,
Executive Director.

THE ASSOCIATION OF
WOMEN'S BUSINESS CENTER,
Boston, MA, April 5, 2001.

Hon. JOHN F. KERRY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KERRY: As the President of the Association of Women's Business Centers (AWBC), I am writing on behalf of the 80+ Women's Business Centers who have been funded by the Small Business Administration's Office of Women's Business Ownership. We write to support your amendment #183 to increase funding for the SBA programs and, in particular, to fund the Women's Business Center Program at $13.7 million.

The President's budget only provides level funding of $12 million for the WBC program, which is inadequate at this time as women are continuing to start two-thirds of all new businesses. Clearly, we need an increase in funding at this time to continue to ensure that we are keeping pace with this fast growth and providing services to as many women business owners as possible.

Thank you very much for your continued support and advocacy on our behalf.

Sincerely,

ANDREA C. SILBERT,
President, AWBC, and
CEO, Center for Women & Enterprise.

HOUSTON, TX,
April 5, 2001.

Senator JOHN KERRY,
Washington, DC.

DEAR SENATOR KERRY: Since I work with small business owners every day to help them obtain the financing they require to start a new business, acquire a business or expand an existing business, I wanted you to know that I strongly support you and your efforts regarding Amendment 183.

Thank you for your continued good work.

Sincerely,

CHARMIAN ROSALES.

SUMMARY OF AMENDMENT NO. 183

(Purpose: To amend the budget for fiscal year 2002 so that the small business programs at the Small Business Administration are adequately funded and can continue to provide loans and business assistance to the country's 24 million small businesses. It is necessary to restore and reasonably increase funding to specific programs at the SBA because the current budget request reduces funding for the Agency by a minimum of 26 percent at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow)

All funds are added to Function 376, which funds the SBA for FY 2002.

CREDIT PROGRAMS

$118 million for 7(a) loans, funding an $11 billion program.

$26.2 million for SBIC participating securities, will support a $2 billion program.

$750,000 for direct microloans, funding a $30 million program.

$21 million for new markets venture capital debentures, funding $150 million program.

Total request for credit programs=$166 million.

NON-CREDIT PROGRAMS

$4 million for the National Veterans Business Development Corporation.

$10 million for Microloan Technical Assistance, total of $30 million.

$30 million for the Small Business Development Centers, total of $105 million.

$30 million for New Markets Venture Capital Technical Assistance.

$15 million for the Program for Investment in Microenterprise.

$7 million for BusinessLINC.

$1.7 million for Women's Business Centers, bringing total to $13.7 million.

$250,000 for Women's Business Council, bringing total to $1 million.

Total request for non-credit program=$98 million.

Total request for credit and non-credit programs=$264 million.

Mr. KERRY. Mr. President, in conclusion, we have noticed in the last months small businesses have been severely constrained because banks are tightening up credit. This amendment is going to leverage some $13 billion worth of investment in the country. There isn't a State in the Nation where small business doesn't make an enormous difference. Small business represents 50 percent of the jobs in the private sector. By restoring these funds, we are going to help to turn around the slowness that people perceive in the economy today and I think give a lot of relief to an awful lot of businesses in the Nation.

I thank the managers for accepting this amendment.

Mr. DOMENICI. This also is budget neutral. We have no objection to the amendment.

Mr. CONRAD. Mr. President, it is supported on this side as well.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 183) was agreed to.

AMENDMENT NO. 231, AS MODIFIED

Mr. DOMENICI. We call up Senator MURRAY's amendment No. 231, and I ask unanimous consent to send a modification to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mrs. MURRAY, Mr. AKAKA, Mr. LIEBERMAN, Mr. EDWARDS, Mrs. LINCOLN, Ms. CANTWELL, Mrs. BOXER, and Mr. REID, proposes an amendment numbered 231, as modified.

(Purpose: To increase budget authority and outlays in Function 450 to provide adequate funding for Project Impact and FEMA Hazard Mitigation grants)

On page 25, line 6, increase the amount by $108,000,000.

On page 25, line 7, increase the amount by $108,000,000.

On page 43, line 15, decrease the amount by $108,000,000.

On page 43, line 16, decrease the amount by $48,000,000.

Mr. AKAKA. Mr. President, I am pleased to cosponsor the amendment offered by the Senator from Washington, Mrs. MURRAY, to reinstate FEMA's pre-disaster mitigation program, Project Impact. Established in 1997, Project Impact assists communities in identifying risks and vulnerabilities, developing programs to lessen risks, and involving the public and private sectors in the process. With over 250 community Project Impact partners nationwide and more than 2,500 business partners, Project Impact is the only Federal program that provides funds for pre-disaster mitigation.

In Hawaii, all four of the state's counties are Project Impact partners. For example, Maui County is using Project Impact to review community mitigation plans in regions that are more isolated than others to reduce disruptions during and after disasters. The County of Kauai is using funds to assist with retrofitting and hardening public structures to protect them from damaging hurricanes, and the state's most populous area, the City and County of Honolulu, is working on an aggressive public education and awareness program, developing a mitigation strategy to include a risk-vulnerability assessment, hardening and retrofitting essential facilities, and flood control measures.

My distinguished colleague from Washington described how Seattle has benefited from its partnership with Project Impact. I was interested that 6 months before the city's massive earthquake, Mayor Paul Schell said, ''Seattle Project Impact helps us realize we are not powerless against the threat of earthquakes. This public-private partnership is a stellar example of how local communities can work together to become disaster resistant.'' Ironically, the President's budget, which was released on the same day as the Seattle earthquake, proposed to terminate Project Impact from FEMA's fiscal year 2002 budget because the program ''has not proven effective.''

I would like to take a moment to discuss the effectiveness of this program. My first action was to ask OMB Director Mitchell Daniels and FEMA Director Joseph Allbaugh how they reached their decision to eliminate this successful program. During Director Allbaugh's confirmation hearing, he said that, with respect to the importance of disaster mitigation, ''taking my lead from Congress' enactment of the 2000 Stafford Act amendments, I plan to focus on implementing pre-disaster mitigation programs that encourage the building of disaster resistant communities. FEMA has made solid progress in this area, but more can be done to limit the human and financial toll of disasters.'' We must assume that the ''solid progress'' in pre-disaster mitigation refers to Project Impact since it is the only pre-disaster mitigation program funded by FEMA. Eliminating its funding will not meet the goal of doing more to ''focus on implementing pre-disaster mitigation programs'' and ''limit the human and financial toll of disasters.''

Director Daniels recently replied to my earlier letter. He expressed strong support for Project Impact but surprisingly indicated that funding would be eliminated. Instead he suggested that a new National Emergency Reserve fund would be used for disaster mitigation although the President's proposed budget blueprint makes clear that the reserve's funds are ''limited to expenditures that are sudden, urgent, unforeseen, and not permanent.'' His letter, which I ask unanimous consent be entered into the RECORD along with the description of the President's National Emergency Reserve fund, deepens my concern that this program's functions will not be funded. Consequently, there will be no funding for disaster mitigation programs in the President's budget.

I also was interested to learn that there has been no formal review by the General Accounting Office of the effectiveness of this program, either by itself or with respect to the other mitigation programs in FEMA. A March 2000 FEMA Inspector General report outlined some of the management difficulties Project Impact faced as a new and rapidly expanding program. The IG found several areas lacking or in need of reform, and the agency addressed each issue. Moreover, the report stated that many of the benefits derived from Project Impact could not be quantified, which is a never-ending burden of mitigation and prevention programs: a positive outcome results in a smaller effect, or none at all.

Supporters of the President's proposed budget cut may say that all we have heard is anecdotal evidence in support of Project Impact. However, I say that we have not heard any evidence, anecdotal or otherwise, against the program. We must consider qualitative results and benefits, such as public awareness, education and greater community-industry cooperation, when determining its effectiveness. These are very important to a community that hopes to sustain disaster preparedness measures long after the initial seed money is spent.

I urge my colleagues to support our amendment to reinstate the $25 million for Project Impact. With so many of our communities, especially smaller cities and towns, participating in this important program, I believe we must first determine its effectiveness before voting for its elimination. I am asking GAO to provide Congress with a detailed assessment of the program so that we may determined its effectiveness.

Mr. LIEBERMAN. Mr. President, I am pleased to cosponsor this amendment offered by Senators MURRAY and AKAKA to restore funding authorization for the Federal Emergency Management Agency's Project Impact and Hazard Mitigation grants. I have also indicated my opposition to the administration's cuts in these programs in a letter to Chairman DOMENICI and Senator CONRAD, pursuant to my obligation as ranking member of the Governmental Affairs Committee to express views on the President's budget as it affects matters within our jurisdiction.

The administration's proposed cuts in these programs would shift part or all of the funding burden for these programs back on the States, whose resources are already tightly stretched. Moreover, these programs are designed to reduce future losses that would in many cases greatly outstrip the Federal Government's original investment; as a result, we will spend more on recovery programs tomorrow than we will save today by eliminating these programs. Overall, my State of Connecticut is already receiving less federal funding for emergency management than it did in 1995, it will be hard for States like Connecticut to absorb these additional cuts and still maintain the current level of services.

Specifically, the amendment would restore funding authorization for ''Project Impact'' which the administration proposes to zero out. This is a $25 million pre-disaster mitigation and preparedness program that was recently instituted by FEMA. The agency partners with cities at risk for flooding and other disasters to create programs boosting awareness of how to prepare and lessen the damage from disasters. In Connecticut, for example, four cities have been included in this program: Westport, East Haven, Norwich, and Milford. Since Project Impact is new and still being implemented, it has not yet been fully evaluated; however, one of Project Impact's strengths is providing funding directly to cities. Zeroing this program out without providing something in its place is ''not prudent,'' according to Connecticut's Director of Emergency Management. Moreover, the program helps FEMA to achieve its Strategic Goal 1, which seeks to protect lives and prevent the loss of property by implementing pre-disaster mitigation and preparedness measures. Project Impact is a key part of this effort.

The amendment would also reverse the Administration's decision to cut the federal share of funding for hazard mitigation grants which are given for post-disaster mitigation to prevent future losses. Instead of providing funding to states on a 75–25 ratio, the Administration would reduce the federal government's share to 50 percent. Again, this places the burden back on the states to fund these efforts.

These two programs provide needed assistance to States and communities across the country that experience losses due to major disasters. The amount of money that would be saved by these proposed cuts is relatively small. I urge my colleagues to support this amendment and to restore funding authorization for these two worthy FEMA programs.

Mrs. MURRAY. Mr. President, the amendment Senator AKAKA and I have introduced today would restore funding for FEMA's Project Impact and maintain the existing 75 percent Federal cost-share for hazard mitigation grants. The Murray-Akaka amendment would not increase any funding. It would simply keep the same commitment the Federal Government has provided in previous years.

I would like to thank Senator AKAKA for his work on this important amendment, I would also like to thank Senators LIEBERMAN, EDWARDS, LINCOLN, CANTWELL, BOXER, REID, and MIKULSKI for cosponsoring the Murray-Akaka amendment.

On February 28 an earthquake measuring 6.8 on the Richter scale caused significant damage throughout western Washington State killing one person, injuring more than 400 people, and causing hundreds of millions of dollars in damage. It was a big scare. Everyone in western Washington has an earthquake story.

Some of the biggest stories involve a small program called Project Impact. My home State was very lucky the damage wasn't worse. But communities in my State created some of their own luck by being prepared. I am proud to say the Federal Government was a good partner in those efforts. Project Impact is a pre-disaster mitigation

program run by the Federal Emergency Management Agency. The premise is simple: in the 1990s, the Federal Government spent more than $20 billion responding to natural disasters. This sum doesn't count the loss of loved ones. It doesn't count the hardship Americans ensure when Mother Nature strikes.

Congress and the Clinton administration decided that simply responding to disasters wasn't enough. We made the decision to invest in communities that wanted to invest in limiting the damage caused by natural disasters. That philosophy has translated into real life results through Project Impact. But just hours before the earthquake in Washington State, the budget blueprint produced by the Bush administration eliminated Project Impact. The blueprint dismissed Project Impact as ineffective.

As I toured the earthquake damage in the days after the earthquake, I was left wondering who the new administration had spoken with to reach that conclusion. The administration certainly didn't speak with the City of Seattle. Seattle was one of the seven original Project Impact communities. Today, there are nearly 248 Project Impact communities in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Two days after the earthquake, I toured Stevens Elementary School in Seattle. The current school building is one of the oldest run by the Seattle public Schools. The teachers and students practice constantly for earthquakes. Stevens Elementary is one of the 46 Seattle schools that have had overhead hazards removed. In this case, I saw how Project Impact dollars were used to drain an overhead water tank and to secure the tank so it wouldn't fall through a classroom ceiling and onto students during an earthquake. In other Seattle schools, Project Impact dollars are used to disaster-proof classrooms. This involves tying down computers and strapping televisions to ensure they don't fall during an earthquake.

As parents and grandparents, we want to know that our children are safe when they are at school. Project Impact has allowed many communities to make sure that more of their students will be safe when natural disasters strike. Washington State has five Project Impact communities. These communities partner with local businesses and organizations to educate homeowners and professionals about home retrofitting, to do hazard mapping, to set-up better communications systems for disaster situations, to disaster-proof schools, and to help businesses prepare for disasters. These actions are effective. These actions save lives and property and businesses.

The amendment I offer today restores Project Impact funding for fiscal year 2002 and fiscal year 2003. Funding Project Impact for the next 2 years will allow us to better evaluate its success. Last year, Congress passed legislation to authorize a pre-disaster mitigation program. If Project Impact is not meeting the nation's needs for such a program, we will have the next 2 years to develop a program that will meet our goals.

The Bush administration recommended other budget cuts for FEMA as well. I am especially concerned the administration's budget would reduce the Federal cost-share for hazard mitigation grants from 75 percent to 50 percent. Communities covered by a Federal disaster declaration can access hazard mitigation grants to repair or replace damaged public facilities and infrastructure. These grants help to ensure that future disasters will not cripple critical facilities infrastructure and services. The grants allow communities to make the investments when they are most likely to be effective. If the federal cost-share falls from 75 percent to 50 percent cash-strapped States and localities will not be able to afford to use all available grants. This means more lives will be lost, more jobs and businesses will be lost after a disaster, and more Federal spending will be needed to pick up the pieces when the next disaster strikes.

The amendment I am offering will fix this cost-share problem and will restore Project Impact, so that communities across America can take steps today to prevent damage tomorrow. I urge my colleagues to support this important amendment.

Mr. DOMENICI. As modified, this also is budget neutral and we are willing to accept it.

Mr. CONRAD. Mr. President, we support this amendment on this side as well.

The PRESIDING OFFICER. The question is on agreeing to the Murray amendment, No. 231, as modified.

The amendment (No. 231), as modified, was agreed to.

Mr. BOND. Mr. President, I thank the managers for the efficient way they have been handling business. Last night in wrap-up, they passed amendment No. 210 which dealt with restoring money for critical health programs and graduate medical education at community health centers. I ask unanimous consent Senators HOLLINGS, DEWINE, KENNEDY, FEINSTEIN, SMITH of Oregon, KERRY, and DODD be added as cosponsors to Bond amendment No. 210.

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

Mr. DOMENICI. May I be added as a cosponsor?

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

Mr. CONRAD. Mr. President, I would like to be listed as a cosponsor on the Kerry-Bond amendment No. 183 of which we have just disposed. I ask unanimous consent to be shown as an original cosponsor.

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

AMENDMENT NO. 285 WITHDRAWN

Mr. ALLEN. I send to the desk amendment No. 285.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. ALLEN] proposes an amendment numbered 285.

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

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

The amendment is as follows:

(Purpose: To provide for an Education Opportunity Tax Relief Reserve Fund)

At the appropriate place, insert the following:

SEC. . RESERVE FUND FOR EDUCATIONAL OPPORTUNITY TAX RELIEF.

(a) IN GENERAL.—In the Senate and the House, the Chairmen of the Committees on the Budget may reduce the spending and revenue aggregates and may revise committee allocations for legislation that is reported by the Senate Committee on Finance and the House Committee on Ways and Means, respectively, that reduces tax liabilities for parents of primary and secondary education students to increase access to K through 12 education-related opportunities and improve the quality of their children's education experience, especially with regards to, but not limited to, expenses related to the purchase of home computer hardware, education software, and internet access, and for expenses related to tutoring services.

(b) LIMITATION.—The Chairmen shall not make adjustment authorized in this section if legislation described in subsection (a) would cause an on-budget deficit when taken with all other legislation enacted for—

(1) fiscal year 2002;

(2) the period of fiscal years 2002 through 2006; or

(3) the period of fiscal years 2002 through 2011.

(c) BUDGETARY ENFORCEMENT.—Revised allocations and aggregates under subsection (a) shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

Mr. ALLEN. This amendment is an amendment to empower parents in education spending, especially if they have children in kindergarten through 12, in purchasing technology such as computers, educational software, Internet access, and tutor funding—but not tuition. The amendment had some problems on the other side of the aisle. This amendment was never intended to allow a tax credit for tuition.

I very much appreciate the work of the staff of Senator DOMENICI and the folks with Finance. I appreciate working with Senator CONRAD and Senator REID, and Senator DASCHLE brought forward some of the problems this would cause with a flood of further amendments. I thank the Presiding Officer, Senator MILLER, for his support and Senator NELSON of Nebraska.

I say to the fellow Members of the Senate I was hoping to achieve a goal and I will continue to do so and hope the Finance Committee, when acting on tax relief, will take into account giving tax relief to hard-working families who have children in schools. We need to reduce their tax burden. Parents ought to be making education decisions for their children. This idea is

supported by the technology community, and it also helps bridge the divide to make sure that all children have computers at home or make it more affordable to have computers at home and access information on the Internet. Again, it should not be used for tuition.

Mr. DOMENICI. I thank the distinguished Senator from Virginia, Mr. ALLEN. The way he has worked on this, it is obvious this is not the last we will hear of it. From this Senator's standpoint, I hope we will hear more about it.

Mr. ALLEN. I ask unanimous consent to withdraw my amendment for another day on the tax committee, and hopefully they will have this for parents and education spending and technology for our youngsters across our Nation.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. 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. DOMENICI. Mr. President, I understand Senator CLINTON wants to comment on the amendment adopted in her behalf.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 328, AS MODIFIED

Mrs. CLINTON. Mr. President, I rise to thank the chairman and ranking member of the Budget Committee for accepting an amendment that I believe is so important to safeguard the food supplies in our country and thereby safeguard our children from the growing threat of contamination.

Presently we enjoy one of the most safe food supplies in the world, but we are clearly not immune to the threats we read about every day in our newspapers.

I saw a recent headline in the New York Times that the public does have reason to be alarmed. The Times reported that there are only 400 inspectors to investigate problems at the 57,000 plants in our country. Because of this lack of resources, the FDA inspects food manufacturers only once every 8 years. The American people deserve better than that. So this important measure will strengthen our food safety infrastructure by increasing the number of FDA inspectors so high-risk sites can be inspected annually and would also step up research and surveillance to identify the sources of contamination and track the incidence of foodborne illnesses to help us better meet emerging threats from abroad.

Finally, it would protect against cuts in funding for the Department of Health and Human Services and Department of Agriculture food safety initiatives and ensure sufficient funds in the cases of threats from food safety emergencies.

I am very pleased the administration changed its announced policy yesterday about testing the ground meat in our Nation's schools. I thank them for that reversal because clearly there is nothing more important than providing our children with safe food, and particularly in our schools. I am very pleased that in a bipartisan way we have adopted this amendment which I think will go a long way towards easing the concerns and fears of so many parents in ensuring a safe food supply for generations to come.

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 the order for the quorum call be dispensed with.

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

AMENDMENT NO. 253, AS MODIFIED

Mr. DOMENICI. Mr. President, we are prepared to call up amendment 253, Senator LINCOLN's amendment. We ask unanimous consent it be in order to modify the amendment and send a modification to the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for Mrs. LINCOLN, for herself, Mr. CONRAD, Mr. LEAHY, and Ms. LANDRIEU, proposes an amendment numbered 253, as modified.

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

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

The amendment is as follows:

On page 19, line 15, increase the amount by $4,000,000,000.

On page 19, line 16, increase the amount by $4,000,000,000.

On page 43, line 11, decrease the amount by $4,000,000,000.

On page 43, line 12, decrease the amount by $4,000,000,000.

Mr. DOMENICI. We have no objection to the amendment. It is budget neutral.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. We support the amendment on this side as well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 253) as modified, was agreed to.

Mr. CONRAD. Mr. President, I ask unanimous consent Senator LANDRIEU and myself be added as original cosponsors on the previously considered Lincoln amendment.

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

AMENDMENTS NOS. 205, 207, 209 EN BLOC

Mr. CONRAD. Mr. President, I send three amendments to the desk on behalf of Senator BYRD. I ask they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] for Mr. BYRD, proposes amendments 205, 207, 209 en bloc.

Mr. CONRAD. I ask unanimous consent the reading of the amendments be dispensed with.

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

The amendments (nos. 205, 207, and 209) en bloc are as follows:

AMENDMENT NO. 205

(Purpose: Increase discretionary education funding by $100,000,000 to improve the teaching of American History in America's public schools)

On page 4, line 17, increase the amount by $55,000,000.

On page 4, line 18, increase the amount by $20,000,000.

On page 5, line 8, decrease the amount by $55,000,000.

On page 5, line 9, decrease the amount by $20,000,000.

On page 5, line 21, increase the amount by $55,000,000.

On page 5, line 22, increase the amount by $20,000,000.

On page 6, line 9, increase the amount by $55,000,000.

On page 6, line 10, increase the amount by $20,000,000.

On page 27, line 3, increase the amount by $100,000,000.

On page 27, line 4, increase the amount by $25,000,000.

On page 27, line 8, increase the amount by $55,000,000.

On page 27, line 12, increase the amount by $20,000,000.

On page 43, line 15, increase the negative by $100,000,000.

On page 43, line 16, increase the negative by $25,000,000.

On page 48, line 8, increase the amount by $100,000,000.

On page 48, line 9, increase the amount by $25,000,000.

AMENDMENT NO. 207

(Purpose: To increase investments in Fossil Energy Research and Development for Fiscal Year 2002)

On page 4, line 17, increase the amount by $60,000,000.

On page 4, line 18, increase the amount by $30,000,000.

On page 5, line 8, decrease the amount by $60,000,000.

On page 5, line 9, decrease the amount by $30,000,000.

On page 5, line 21, increase the amount by $60,000,000.

On page 5, line 22, increase the amount by $30,000,000.

On page 6, line 9, increase the amount by $60,000,000.

On page 6, line 10, increase the amount by $30,000,000.

On page 16, line 5, increase the amount by $150,000,000.

On page 16, line 6, reduce the negative amount by $60,000,000.

On page 16, line 9, reduce the negative amount by $60,000,000.

On page 16, line 12, reduce the negative amount by $30,000,000.

On page 43, line 15, increase the negative amount by $150,000,000.

On page 43, line 16, increase the negative amount by $60,000,000.

On page 48, line 8, increase the amount by $150,000,000; and

On page 48, line 9, increase the amount by $60,000,000.

AMENDMENT NO. 209

(Purpose: To increase resources in Fiscal Year 2002 for building clean and safe drinking water facilities and sanitary wastewater disposal facilities in rural America)

On page 4, line 17, increase the amount by $180,000,000.

On page 4, line 18, increase the amount by $270,000,000.

On page 4, line 19, increase the amount by $250,000,000.

On page 4, line 20, increase the amount by $160,000,000.

On page 4, line 21, increase the amount by $110,000,000.

On page 5, line 8, decrease the amount by $180,000,000.

On page 5, line 9, decrease the amount by $270,000,000.

On page 5, line 10, decrease the amount by $250,000,000.

On page 5, line 11, decrease the amount by $160,000,000.

On page 5, line 12, decrease the amount by $110,000,000.

On page 5, line 21, increase the amount by $180,000,000.

On page 5, line 22, increase the amount by $270,000,000.

On page 5, line 23, increase the amount by $250,000,000.

On page 5, line 24, increase the amount by $160,000,000.

On page 5, line 25, increase the amount by $110,000,000.

On page 6, line 9, increase the amount by $180,000,000.

On page 6, line 10, increase the amount by $270,000,000.

On page 6, line 11, increase the amount by $250,000,000.

On page 6, line 12, increase the amount by $160,000,000.

On page 6, line 13, increase the amount by $110,000,000.

On page 26, line 6, increase the amount by $1,000,000,000.

On page 25, line 7, increase the amount by $30,000,000.

On page 25, line 11, increase the amount by $180,000,000.

On page 25, line 15, increase the amount by $270,000,000.

On page 25, line 19, increase the amount by $250,000,000.

On page 25, line 23, increase the amount by $160,000,000.

On page 26, line 3, increase the amount by $110,000,000.

On page 43, line 15, increase the negative amount by $1,000,000,000.

On page 43, line 16, increase the negative amount by $30,000,000.

On page 48, line 8, increase the amount by $1,000,000,000.

On page 48, line 9, increase the amount by $30,000,000.

AMENDMENT NO. 205

Mr. BYRD. Mr. President, my amendment to the budget resolution would add $100 million in Fiscal Year 2002 to Function 500 (Education). This increased funding will allow for the continuation of an American history grant program that I initiated last year. This program is designed to promote the teaching of history as a separate subject in our nation's schools. An unfortunate trend of blending history with a variety of other subjects to form a hybrid called social studies has taken hold in our schools. Further, the history books provided to our young people, all too frequently, gloss over the finer points of America's past. My amendment provides incentives to help spur a return to the teaching of traditional American history.

Every February our nation celebrates the birth of two of our most revered presidents—George Washington, the father of our nation, who victoriously led his ill-fitted assembly of militiamen against the armies of King George, and Abraham Lincoln, the eternal martyr of freedom, whose powerful voice and iron will shepherded a divided nation toward a more perfect Union. Sadly, I fear that many of our nation's school children may never fully appreciate the lives and accomplishments of these two American giants of history. They have been robbed of that appreciation—robbed by schools that no longer stress a knowledge of American history. In fact, study after study has shown that the historical significance of our nation's grand celebrations of patriotism—such as Memorial Day or the Fourth of July—are lost on the majority of young Americans. What a waste. What a shame.

An American student, regardless of race, religion, or gender, must know the history of the land to which they pledge allegiance. They should be taught about the Founding Fathers of this nation, the battles that they fought, the ideals that they championed, and the enduring effects of their accomplishments. They should be taught about our nation's failures, our mistakes, and the inequities of our past. Without this knowledge, they cannot appreciate the hard won freedoms that are our birthright.

Our failure to insist that the words and actions of our forefathers be handed down from generation to generation will ultimately mean a failure to perpetuate this wonderful experiment in representative democracy. Without the lessons learned from the past, how can we ensure that our nation's core ideals—life, liberty, equality, and freedom—will survive? As Marcus Tullius Cicero stated:

> . . . to be ignorant of what occurred before you were born is to remain always a child. For what is the worth of human life, unless it is woven into the life of our ancestors by the records of history?

I am not the only one who recognizes the importance of teaching American history. Many groups are interested and have expressed support for this grant program. Representatives from the National Council for History Education, the National Coordinating Committee for the Promotion of History, the American Historical Association, and National History Day have all expressed enthusiasm for this grant program. They are very supportive of this effort.

So, for those reasons, I offer this amendment to the budget resolution to increase Function 500 (Education) by $100 million in Fiscal Year 2002.

AMENDMENT NO. 207

Mr. BYRD. Mr. President, the State of California has been beset by an energy crisis. We see daily reports of rolling blackouts, epidemic shortages of electricity, and, most recently, utility rate hikes, which for some customers could mean a forty percent increase in their electric bill. And, as bad as things are now, it is only going to get worse this summer when the weather heats up and demand for electricity increases. Moreover, the problems being faced today in California are not limited to that state. On the contrary, this crisis threatens other parts of the country as well.

Given that situation, one would think that policymakers here in Washington would be focused like a laser on the idea of increasing energy supplies while at the same time trying to stem demand. The Bush Administration is working to put together a national energy policy. But, until the President's Energy Task Force completes its work and reports to the American people, the only guidance we have from the Administration is that which can be gleaned from official statements and the sparse information contained in the so-called Budget Blueprint.

Mr. President, I am deeply concerned with where this Administration is going, because what I hear with my ears is not the same as what I read with my eyes. When I listen to the President and his senior cabinet officials, I am at a loss to reconcile their verbal pronouncements with what the Administration has proposed by way of its budget. Let me give you some examples.

On February 27, just five weeks ago, President Bush came up to Capitol Hill, and he spoke to the American people before a joint session of Congress. In that address, the President laid out several policy goals, not the least of which was the need for a national energy policy that would enhance this nation's energy security. During his speech, the President said:

> Our energy demand outstrips our supply. We can produce more energy at home while protecting our environment, and we must. We can produce more electricity to meet demand, and we must. We can promote alternative energy sources and conservation, and we must. America must become more energy independent, and we will.

Little more than two weeks ago, on March 19, the Secretary of Energy reiterated the problems with supply when he spoke to the U.S. Chamber of Commerce here in Washington. At an event billed as a National Energy Summit, Secretary Abraham stated flat out that this nation had an energy supply crisis. He went on to say that that supply crisis was not the fault of depleted natural resources; the United States has not run out of coal, or natural gas, or oil. Rather, in the Secretary's opinion, it was ''political leadership that has been scarce.''

Consequently, when I hear these statements, I come away thinking that this administration is truly committed to increasing our supply of domestic energy. I was heartened by these comments because I believed they meant that the President and the Secretary would understand that the only way we were going to get more supply is through the use of newer and better technology. And, the only way we can get better technology is through the kind of investments in research and development being done by the Department of Energy.

I regret to say, however, that I may have been wrong. I may have overestimated the administration's commitment to increasing domestic energy supplies, particularly, if those increases do not come easily or cheaply. The Budget Blueprint does not appear to include the increases in supply that the President and the Secretary say we need. Why? Because, in its budget plan, the White House has drastically pulled back from a whole-hearted dedication to research and development.

The proposed budget for the Department of Energy's Office of Fossil Energy would underfund—severely underfund—many of our most important fossil energy research programs. It is true that the President will carry through on his promise of proposing $2 billion over the next ten years for the Clean Coal Technology program, a program I started in 1985 and one which has been one of the most successful public/private partnerships ever created. Unfortunately, while fulfilling his campaign promise related to clean coal, the President will do so at the expense of the other gas, oil, and coal research programs.

Specifically, the Budget Blueprint states that Clean Coal funding, which the Secretary of Energy has said would amount to $150 million in FY 2002, ''. . . would come from a consolidated budget that redirects research funds from the current Fossil Energy research and development coal budget, matched with balances in the Clean Coal technology account. . . .'' However, the ''balances'' in the Clean Coal account the Blueprint talks about are only $33.7 million, less than 2 percent of the $2 billion commitment. Consequently, we must conclude that, for all intents and purposes, the entire cost of the Administration's Clean Coal proposal is going to come at the expense of basic research and development in the areas of coal, natural gas and oil.

For Fiscal Year 2001, Congress provided $445 million in Fossil Energy Research and Development funding. Taking $150 million for Clean Coal funding out of that $445 million amounts to a 34 percent cut and would devastate the kind of research that is critical to this nation's energy security.

How is one to reconcile this inconsistency? On the one hand, the Administration is adamant that our domestic energy supplies must be increased. Yet, at the same time, it fails to fund the research necessary to make that happen. The natural gas everyone wants to get their hands on is not going to rise from the ground by itself. Nor is the coal that currently supplies fifty-four percent of our nation's electricity. There may be those who wish it were not so, but the fact is that coal remains today—and will for the next several decades—our nation's cheapest and most abundant energy resource. But we cannot get to those domestic energy resources and we cannot get them out of the ground in an economical and environmentally sound manner unless we are willing to investment in the research that will make the technology possible.

Thus, the amendment I am offering today will restore the $150 million in fossil energy research and development that is so important to this nation's energy independence. This amendment, which I urge my colleagues to support, would increase the budget authority allocations for Function 270, the Energy Function, by $150 million in Fiscal Year 2002.

We do not need to wait for the Administration's Energy Task Force to tell us that we need more domestic energy. That is a fact we already know. The President knows it, the Secretary of Energy knows it, and, I suspect, the people of California now know it. Adopting my amendment will be the first step in ensuring that this nation has the energy it needs. I urge my colleagues to support this amendment so that we can get about the task of ensuring that what is happening in California does not spread throughout the United States.

AMENDMENT NO. 209

Mr. BYRD. Mr. President, I am today offering an amendment to the Senate Budget Resolution for fiscal year 2002 that will increase domestic discretionary spending for rural water and wastewater programs. In all parts of the nation, there are men, women, and children who live every day without the basic necessities of clean, safe, drinking water or sanitary wastewater disposal. This is a great nation, and over the past decade we have witnessed tremendous gains in prosperity for much of our population. It would, therefore, surprise a great many of us to realize the poor living conditions with which many Americans have to face day-in and day-out.

The United States Department of Agriculture administers a program through its Rural Utilities Service that provides loans and grants to rural communities with populations less than 10,000 to help establish, expand, or upgrade water and wastewater systems in all states. This program is one of the most successful of all federal programs. It has, perhaps, the best loan default rate within the federal government, it provides an essential catalyst for economic development, and it helps combat conditions which put the health of Americans at risk.

But even more important than all those attributes, it would help erase the schism that separates the ''haves'' from the ''have-nots'' across our land. Consider for a moment how most of us take for granted the clean glass of water that we can draw from our nearest faucet. Consider how most of us expect our streets and waterways to be free from flows of raw sewage. Then imagine yourself in small communities and rural areas all across America where clean water means dipping a glass in a rain barrel and wastewater disposal means the nearest ditch. America is greater than that.

In 1997, the Environmental Protection Agency released a report on unmet wastewater improvement needs in rural areas of this country. That document estimated that nearly $20 billion was needed to establish or upgrade systems necessary to avoid runoff of failed septic systems, or worse, from polluting our rivers and streams and posing serious threats to public health. The EPA is now working on a new report on this subject, due to be released in the coming year, and I fear that we will learn that the costs necessary to correct these sad conditions have seriously increased.

In February of this year, the EPA issued a new report on the state of unmet drinking water needs across America. That document finds that for rural areas and communities of 10,000 or less, the total unmet need is nearly $48 billion. Of that total, $33.5 billion has been identified as an immediate need. Even with the surpluses now before the Congress, we may not be able to meet this entire need overnight, but we can, indeed, do better than we have.

As of last month, the Rural Utilities Service at the Department of Agriculture had a backlog of applications awaiting funding totaling nearly $800 million in grants and $2.2 billion in loans. This backlog, which has skyrocketed in this fiscal year, includes applications from every state and I know every Senator is aware of the benefits of this program. My friend from Alaska, the Chairman of the Senate Appropriations Committee knows how important this program is for rural Alaskan Native Villages. My friend from New Mexico, Chairman of the Senate Budget Committee, knows how important this program is to the Colonias region of his state. I can provide many more from my home state of West Virginia.

The amendment I am offering will provide a modest investment in the health and security of the American people. By increasing the total budget authority of this program by $1 billion—which is a mere 2 percent of the outstanding need identified in February by the EPA for drinking water systems alone—we can begin to help speed up services to rural families in every state. With an additional $1 billion, we can make gains in meeting the ever-increasing demands of unfunded applications at the Department of Agriculture. There are certain functions

of government that go straight to the basic fabric of the social contract, and helping provide all Americans with the basic necessities of life is paramount among them. My amendment supports this noble role of government, and I ask all Senators to join me in its passage.

Mr. DOMENICI. Mr. President, we have no objection to the amendments being adopted en bloc.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The amendments (Nos. 205, 207, 209) en bloc were agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 317

Mr. DOMENICI. Mr. President, we call up amendment 317.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for Mr. GRAHAM, and Mrs. HUTCHISON, proposes an amendment numbered 317.

The amendment is as follows:

(Purpose: To extend the Temporary Assistance for Needy Families (TANF) Supplemental Grants for fiscal year 2002)

On page 4, line 2, increase the amount by $319,000,000.

On page 4, line 16, increase the amount by $80,000,000.

On page 4, line 17, increase the amount by $25,000,000.

On page 4, line 18, increase the amount by $25,000,000.

On page 4, line 19, increase the amount by $25,000,000.

On page 4, line 20, increase the amount by $25,000,000.

On page 4, line 21, increase the amount by $25,000,000.

On page 4, line 22, increase the amount by $25,000,000.

On page 4, line 23, increase the amount by $25,000,000.

On page 5, line 1, increase the amount by $25,000,000.

On page 5, line 2, increase the amount by $25,000,000.

On page 5, line 7, decrease the amount by $80,000,000.

On page 5, line 8, decrease the amount by $25,000,000.

On page 5, line 9, decrease the amount by $25,000,000.

On page 5, line 10, decrease the amount by $25,000,000.

On page 5, line 11, decrease the amount by $25,000,000.

On page 5, line 12, decrease the amount by $25,000,000.

On page 5, line 13, decrease the amount by $25,000,000.

On page 5, line 14, decrease the amount by $25,000,000.

On page 5, line 15, decrease the amount by $25,000,000.

On page 5, line 16, decrease the amount by $25,000,000.

On page 32, line 15, increase the amount by $319,000,000.

On page 32, line 16, increase the amount by $80,000,000.

On page 32, line 20, increase the amount by $25,000,000.

On page 32, line 24, increase the amount by $25,000,000.

On page 33, line 3, increase the amount by $25,000,000.

On page 33, line 7, increase the amount by $25,000,000.

On page 33, line 11, increase the amount by $25,000,000.

On page 33, line 15, increase the amount by $25,000,000.

On page 33, line 19, increase the amount by $25,000,000.

On page 33, line 23, increase the amount by $25,000,000.

On page 34, line 3, increase the amount by $25,000,000.

Mr. DOMENICI. Mr. President, this Graham amendment numbered 317 is cosponsored by Senator HUTCHISON of Texas.

I understand that Senator HUTCHINSON is here on the floor, and he would like to share part of the discussion on the affirmative side.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I applaud Senator KAY BAILEY HUTCHISON of Texas for her leadership and for her aggressive work on this amendment, also Senator BOB GRAHAM of the State of Florida, who has done such great work.

This amendment extends for fiscal year 2002 the supplemental grants for rapidly growing States under the Temporary Assistance for Needy Families program. These States include Arkansas, Florida, Texas, and about 14 other States that are dramatically impacted by this situation—all of which receive lower levels of block grant funding per child than other States.

The TANF program was created back in 1996 to provide States with flexible block grants to meet the needs of low-income families trying to get off traditional welfare rolls. The program has worked well. It has been successful.

Flexibility with this funding is vital to support low-income individuals and families and keep them in the workplace.

These supplemental grants are set to expire. Unless we do something, it is going to dramatically negatively impact these States.

The child poverty rate in the States affected is 19½ percent—a quarter above the child poverty rate in other States.

These supplemental grants are very important. They need to be extended.

I think this has bipartisan support. I appreciate Senator HUTCHISON allowing me to speak on behalf of this amendment.

Mr. GRAHAM. Mr. President, I applaud my colleague from Arkansas for the very excellent description that he gave.

Essentially, we are asking for a 1-year bridge between the time that these supplemental funds will expire in the fall of 2001 and the time that we reauthorize the total Welfare-to-Work Program in 2002.

It is a very important amendment for those States that already start off getting the least amount of funding to meet their welfare-to-work requirements. Because of the growth in low per-capita income, they are particularly in need of this support. Congress recognized that it would continue the program until we reauthorize Welfare-to-Work.

Mr. DOMENICI. Mr. President, there is nothing further on our side to be added.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 317) was agreed to.

Mr. DOMENICI. I thank both Senators for their cooperation.

Mr. President, I say to the ranking Member that Senator SCHUMER still has an issue.

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. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, we understand that Senator STABENOW is next in line, and we understand that she is going to talk about an amendment and withdraw it when she is finished.

Ms. STABENOW. That is correct.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 313

Ms. STABENOW. Mr. President, I rise today with an amendment that I wish we were able to pass at this moment. I realize the votes are not here. But in order to demonstrate grave concern on this side of the aisle about what is happening to the Medicare trust fund, I submit with Senator BOB GRAHAM, a leader on this issue, an amendment that would protect the Medicare Part A trust fund by raising a point of order on the process, and hopefully it will be put into place before we are finished with this budget resolution.

It is supported by the American Health Care Association, and the American Hospital Association.

I ask unanimous consent that two letters in support be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN HEALTH CARE ASSOCIATION,
Washington, DC, April 6, 2001.

Hon. BOB GRAHAM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAHAM: On behalf of the 12,000 non-profit and for-profit nursing facility, subacute, assisted living, and ICF/MR providers represented by the American Health Care Association nationwide, I am writing to strongly support your amendment to the FY 2002 Budget Resolution.

Your amendment to require a 60 vote majority in the Senate to approve new programs that tap into the Medicare Part A

trust fund is critical to protecting the trust fund from new spending programs that would threaten its viability. As we saw from the bankruptcies that followed the BBA of 97, funding levels for skilled nursing facility patients cannot withstand additional cuts to the program that may be forced if additional benefits are financed out of the HI trust fund. Indeed, the only way to ensure the adequate financing of all of our laudable programs is to increase funding to Medicare Part A.

The approximately 2 million Medicare residents who receive skilled nursing care in our homes every year depend on the solvency of the program. The skilled nursing and rehabilitative services we provide are often the difference between life and death for our patients.

Your amendment is critical to ''keeping the promise'' our country made to the seniors we care for.

Sincerely,

WILLIAM R. ABRAMS,
Chief Operating Officer.

AMERICAN HOSPITAL ASSOCIATION,
Washington, DC, April 5, 2001.

Hon. BOB GRAHAM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAHAM: On behalf of the American Hospital Association (AHA), I would like to express our strong support of your amendment to H. Con. Res. 83, the fiscal year (FY) 2002 budget resolution requiring a ''super majority'' of 60 votes in the Senate in order to spend Hospital Insurance (HI) Trust Fund dollars for non-Part A services.

The AHA represents nearly 5,000 hospitals, health systems, networks and other health care provider members.

The Medicare program is expected to experience very rapid growth over the next decade as our nation's 78 million ''baby boomers'' begin to retire. The Part A Trust Fund, which is supported by a payroll tax, is projected to see its obligations exceed its income by 2015, and its assets could be exhausted by 2029.

We believe that the Part A Trust Fund should be used for the purpose for which it was intended: to provide beneficiaries with the highest quality hospital acute care services. Congress must be careful not to dilute the trust fund or divert dollars currently in the trust fund for other purposes. It is imperative that Congress avoids legislation that accelerates the insolvency of the Medicare Part A Trust Fund. We need to ensure that Medicare Part A services are there when our seniors need them.

Since its inception, the Medicare program has ensured seniors access to high quality, affordable health care. It is incumbent upon all of us to ensure that the program is preserved, protected and strengthened for future generations.

Sincerely,

RICK POLLACK,
Executive Vice President.

Ms. STABENOW. Mr. President, we have been trying all week to pass a prescription drug plan under Medicare to update it. We don't support raiding it, which is what is happening now. We need to be putting in place prescription drug coverage under Medicare. It came before this body on Tuesday with a 50–50 vote. Unfortunately, the tie vote was not cast. Instead, we now find ourselves in a situation where Medicare is being used as a contingency fund.

This is not the direction in which the American people wish us to go. We need to be strengthening and updating Medicare, not dipping into it and spending it as part of a contingency fund.

Unfortunately, with the President's budget and tax cut combined, it is impossible to do what has been suggested without using the Medicare trust fund. That is my concern.

The message that the American people want us to send loudly and clearly is that we need to update Medicare. We need to strengthen it. We don't need to raid it. We need to update it, not raid it. I am very hopeful that this will be the goal and the ultimate conclusion.

I know that is what we have been fighting for on this side of the aisle since this budget process began.

I yield the time and ask unanimous consent that the amendment be withdrawn.

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

Mr. DOMENICI. Mr. President, I want everybody in the Senate to know that I don't have a sign. I can't put up a sign about our position. But I want everyone to know that we are as concerned about not spending the Medicare Part A trust fund as anybody. Republicans don't take a backseat on that issue. This budget does not spend any of the funds that are being alluded to. So the sign could be placed on our side of the aisle, and we would agree with it.

Actually, I don't think we need to explain our position. We will just do it with our words. We don't need the amendment. It has been withdrawn. Frankly, the budget takes care of that problem. The Republicans are united. We are not going to spend Medicare funds for anything other than Medicare.

I yield the floor at this point and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CONRAD. Mr. President, I advise my colleague that while we are waiting for some additional amendments to arrive that are being redrafted in compliance with our agreement, the Senator from Louisiana would like to talk for just 3 minutes with respect to an issue in which she has been deeply involved.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. I thank the Chair and the Senator from North Dakota.

Mr. President, I commend the Senators from New Mexico and North Dakota for their extraordinary management skills in helping to bring us to the final point of this week-long debate. I appreciate their patience in working with each Member on issues that are so important to us and to our States.

While the staff is working on some details of some of the last few amendments that need to be offered, I thought I would make mention of one particular tax cut that is so widely supported on both sides of this aisle and something on which a group of us have worked now for about 2 years. I am hoping the language will be included in the final negotiations and that has to do with the tax credit for adoption.

It is a tax credit that is really one of the smallest calls on the tax cut, on the budget in terms of the dollar amount. It is small, but it goes a long way because it helps families who are trying to open up their homes, and have opened up their hearts, to adopt a child—either an infant or a toddler or an older child; either a child through a traditional adoption through an agency in the United States or the adoption of a child from another country—and we have seen that number increase substantially, which is really wonderful—or it helps us find homes for the more than 100,000 children in foster care who deserve so much to have a home and a family to call their own.

I want to take a moment while we have some time to congratulate the leaders of the House. I understand there are 275 cosponsors in the House of Representatives for this particular tax cut or tax relief.

There are many good ways to give Americans tax relief. We have heard that debate now on this floor—from the marriage penalty relief, to marginal tax relief, which I support, to estate tax relief or reform—but I want to take a moment to thank Senators and House Members who continue to speak out for this adoption tax credit—to extend it, to double it, and to fix it so that it works for foster care children and so that we give families a broad choice, if they have made that terrific decision to adopt children, to help them with those initial expenses, which can be quite high.

In fact, there are families who, as you know, travel to many parts of the world, and not only are there expenses associated with the agencies or the attorneys or facilitators with whom they are working but also there are the travel expenses.

So this $10,000 tax credit we are proposing—it is $5,000 now, and we propose to double it, extend it, and make it work, which was the original intent of the law—for children being adopted out of foster care. It is something we have debated this week and will continue to debate.

I know Senator GRASSLEY, the chairman of the committee, Senator BAUCUS, our ranking member, Senator BREAUX, and others have expressed an interest in being able to include this particular item in the tax package that is finally passed. I know there are many families in Louisiana, in Georgia, the State of the Presiding Officer, and in all of our States who would welcome our fixing, extending, and doubling this tax credit because it can

make the difference in finding a child a home who perhaps would never otherwise be able to find one and helping those parents with at least some of the expenses associated with the cost of raising children today.

So I am really very hopeful. There is no amendment pending, but there is language that hopefully will be included in this final package.

I thank the managers for giving me time to talk about this important issue. Again, I want to recognize the great support in the House of Representatives—by both Republicans and Democrats—for this particular tax credit.

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. DOMENICI. 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. DOMENICI. Mr. President, awhile ago I spoke in opposition to the amendment Senator GRAHAM had originally offered that I believe the Senator from Michigan withdrew a while ago. I am not sure when I spoke in opposition to it that I had the microphone on. If you wouldn't mind, may I remake that statement for 30 seconds. When I spoke previously, I wasn't sure we were heard, which was my fault, no one else's.

There was a sign up on that amendment with reference to Medicare that we want to make sure we don't take anything out of Medicare and spend it on anything else or use it for tax cuts. I said: We don't have a sign. All we can do is use our words.

I repeat them: There is nothing in this budget that we intend to in any way spend Medicare money on other than Medicare. That has been our commitment; that will remain our commitment. We will not spend Medicare money on anything other than Medicare. We won't violate that at any time in this budget.

Frankly, I will repeat it every time we have an opportunity. Those supporting this budget, when we finish tonight, need not have any fear that we are going to in any way minimize the totality of that Medicare fund. It will be there.

With that, I am prepared to move on to another amendment.

I thank the Chair.

AMENDMENT NO. 303

Mr. DOMENICI. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, for himself, Mr. THOMAS, Mr. BAUCUS, Mr. ENZI, Mr. JOHNSON, Mr. DOMENICI, and Mr. CONRAD, proposes an amendment numbered 303.

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

The amendment is as follows:

(Purpose: To establish a reserve fund for permanent, mandatory funding for Payments In Lieu of Taxes and Refuge Revenue Sharing)

Insert at the appropriate place the following:

SEC. . RESERVE FUND FOR PAYMENTS IN LIEU OF TAXES AND REFUGE REVENUE SHARING.

If the Committee on Energy and Natural Resources of the Senate reports a bill, or an amendment thereto is offered, or a conference report thereon is submitted, that provides full, permanent, mandatory funding for Payments In Lieu of Taxes for entitlement lands under chapter 69 of title 31, United States Code and for Refuge Revenue Sharing, the chairman of the Committee on the Budget of the Senate may increase the aggregates, functional totals, allocations and other appropriate levels and limits in this resolution by up to $353,000,000 in new budget authority and outlays for fiscal year 2002 and $3,709,000,000 in new budget authority and outlays for the period of fiscal years 2002 through 2011, provided that such legislation will not, when taken together with all other previously enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year provided in this resolution.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be made a cosponsor of the amendment, as well as Senator CONRAD.

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

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, Senators THOMAS, BAUCUS, ENZI, and JOHNSON are also cosponsors of the amendment.

I thank my colleague for his strong support for this effort, as well as Senator CONRAD. What this deals with is the payments in lieu of taxes which are very important for counties in States such as our own where there are substantial amounts of Federal property. There is no tax base, essentially. There is no way for those counties to raise the funds needed to operate county government.

This has been a program for some years, and we have recognized this, but we have not made the funds permanent. This year in this session of Congress, we are going to try to pass legislation which would authorize permanent funding for this. If we are able to, then we would like to have that permitted here for consideration by the Senate.

This is budget neutral. This does not change the figures in the budget, but it is a very important initiative and one that I believe very strongly the Senate ought to approve.

I appreciate the support of all my colleagues and all the cosponsors and urge colleagues to support the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 303) was agreed to.

Mr. BINGAMAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, this amendment is budget neutral. Clearly, there is nothing added. This amendment says if in the future certain things happen to the PILT fund such that it is higher than in this budget, then allowances can be made for it. I understand, as one of the cosponsors, that that is all the amendment does.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we see this as a budget-neutral amendment because of the language of the amendment that provides that only if the Committee on Energy and Natural Resources reports a bill that provides full, permanent, mandatory funding for PILT, this actually comes through the authorizing committee.

On that basis, this is an important amendment. With payment in lieu of taxes, the Federal Government has made a commitment to those localities within which they have property that they are going to be a good neighbor, that they are going to pay the taxes anybody else would pay.

I salute the Senator from New Mexico. This is an important amendment that says the Federal Government keeps its word. It is as simple as that.

I thank the Chair and yield the floor. I commend the Senator from New Mexico.

AMENDMENT NO. 218, AS MODIFIED

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I would like to go in whatever order the format is. If it is appropriate at this time, I will go now.

Mr. CONRAD. Mr. President, this would be an appropriate time for the Senator from Massachusetts to offer his amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself, Senators BINGAMAN, WYDEN, EDWARDS, ROCKEFELLER, CORZINE, MURRAY, and CLINTON and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself, Mr. BINGAMAN, Mr. WYDEN, Mr. EDWARDS, Mr. ROCKEFELLER, Mr. CORZINE, Mrs. MURRAY, and Mrs. CLINTON, proposes an amendment numbered 218, as modified.

The amendment is as follows:

On page 3, line 2, increase the amount by $6,000,000,000.

On page 3, line 3, increase the amount by $6,000,000,000.

On page 3, line 4, increase the amount by $7,000,000,000.

On page 3, line 5, increase the amount by $7,000,000,000.

On page 3, line 6, increase the amount by $8,000,000,000.

On page 3, line 7, increase the amount by $8,000,000,000.

On page 3, line 8, increase the amount by $8,000,000,000.
On page 3, line 16, decrease the amount by $6,000,000,000.
On page 3, line 17, decrease the amount by $6,000,000,000.
On page 3, line 18, decrease the amount by $7,000,000,000.
On page 3, line 19, decrease the amount by $7,000,000,000.
On page 3, line 20, decrease the amount by $8,000,000,000.
On page 3, line 21, decrease the amount by $8,000,000,000.
On page 3, line 22, decrease the amount by $8,000,000,000.
On page 4, line 5, increase the amount by $6,000,000,000.
On page 4, line 6, increase the amount by $6,000,000,000.
On page 4, line 7, increase the amount by $7,000,000,000.
On page 4, line 8, increase the amount by $7,000,000,000.
On page 4, line 9, increase the amount by $8,000,000,000.
On page 4, line 10, increase the amount by $8,000,000,000.
On page 4, line 11, increase the amount by $8,000,000,000.
On page 4, line 19, increase the amount by $6,000,000,000.
On page 4, line 20, increase the amount by $6,000,000,000.
On page 4, line 21, increase the amount by $7,000,000,000.
On page 4, line 22, increase the amount by $7,000,000,000.
On page 4, line 23, increase the amount by $8,000,000,000.
On page 5, line 1, increase the amount by $8,000,000,000.
On page 5, line 2, increase the amount by $8,000,000,000.
On page 29, line 10, increase the amount by $6,000,000,000.
On page 29, line 11, increase the amount by $6,000,000,000.
On page 29, line 14, increase the amount by $6,000,000,000.
On page 29, line 15, increase the amount by $6,000,000,00.
On page 29, line 18, increase the amount by $7,000,000,000.
On page 29, line 19, increase the amount by $7,000,000,000.
On page 29, line 22, increase the amount by $7,000,000,000.
On page 29, line 23, increase the amount by $7,000,000,000.
On page 30, line 2, increase the amount by $8,000,000,000.
On page 30, line 3, increase the amount by $8,000,000,000.
On page 30, line 6, increase the amount by $8,000,000,000.
On page 30, line 7, increase the amount by $8,000,000,000.
On page 30, line 10, increase the amount by $8,000,000,000.
On page 30, line 11, increase the amount by $8,000,000,000.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, earlier in the week the Senate accepted an amendment from Senator SMITH and Senator BIDEN to provide resources for a health insurance program for basically the parents of those children who are eligible for the CHIP program. That money would be taken out of the contingency fund. This amendment continues that program for the 10-year period. Therefore, it would take some $50 billion out of the tax cut, and the use of those resources would be to build on the CHIP program which has been so effective for the parents of those CHIP workers, who are American workers at the lower end of the economic scale. They cannot afford health insurance, and the provisions we have in the current budget of some $80 billion could be used as tax incentives for workers.

These workers are not going to be paying the taxes. And even with a refundable tax credit, it will not be sufficient to afford the health insurance. This amendment will help them to do so.

I hope the Senate will take this, with the amendment that is in the budget, and that we will have with that a combination of this amendment and the tax programs that will reach out to look after the health insurance needs of the hardest workers in this country who are pressed every single day for lack of health insurance. That is effectively what the amendment does.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. KENNEDY. I yield the remaining 40 seconds to the Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I thank the Senator from Massachusetts for offering this amendment. This is a very important amendment. We have over 6 million children in this country who do not have health insurance. Of course, their parents do not as well. One way to get those children covered with health insurance is to get their parents eligible, too. This program tries to do that. There are 129,000 of these children who are uninsured in my own State.

I yield the floor.

Mr. DOMENICI. Mr. President, we need to have a quorum call for a little while while Senators meet. We are just going to have to wait a while.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CONRAD. I ask unanimous consent that the pending amendment be withdrawn.

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

The amendment (No. 218) was withdrawn.

Mr. CONRAD. Mr. President, to alert colleagues, we are getting close to the end of our business on the budget resolution. I want to alert colleagues that we still have a few matters that require working out so that we can conclude business. I ask staff who are working on those amendments to inform the managers as to the status of those works in progress so that we can conclude business expeditiously. I don't know if the chairman has an observation or statement at this point. I think we are very close to being able to conclude our business.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, first let me say I am very grateful to everybody for being accommodating. We are just about ready to adopt the budget resolution. We have two amendments that are being worked on. They should be worked out soon. I don't think it will be very long before we start the vote. We will be ready to wrap it up. While that is continuing on the other side, and they have amendments they are going to be working on, I want to say this process is a very tough process. It is very difficult when you have five or six votes to spare on one side or the other. It is difficult when it is tied and, as a matter of fact, when you have 50 Senators on each side of the aisle and you are attempting to pass a budget resolution—actually, on a budget resolution, a lot of things are voted on that don't mean what they say.

But we have gotten into the habit of doing that, so everybody thinks they do what they say. We will try to get out of conference as quickly as we can. It is my understanding that we have resolved the issues on that side.

Mr. CONRAD. Mr. President, I say to the chairman, the amendment we previously discussed, the Bingaman amendment, as modified—the Senator's side has a copy of that. This is the low-income heating assistance amendment. We dealt with the PILT amendment. We would be prepared to deal with this one as well and be closer to a conclusion.

AMENDMENT NO. 302

Mr. DOMENICI. Mr. President, the Senator is correct. Senator BINGAMAN has an amendment No. 302 regarding LIHEAP. I ask that it be appropriate to modify that amendment. Two of the cosponsors are Senators MURKOWSKI and JEFFORDS. I ask that I be made a cosponsor also.

I send this amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, for himself, Ms. CANTWELL, Mr. DAYTON, Mr. DORGAN, Mr. DURBIN, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Ms. LINCOLN, Mr. REID, Mr. ROCKEFELLER, Mr. SCHUMER, Ms. STABENOW, Mr. DOMENICI, Mr. CONRAD, Mr. MURKOWSKI, and Mr. JEFFORDS, proposes an amendment numbered 302, as modified.

The amendment is as follows:

On page 32, line 15, increase the amount by $2,600,000,000.

On page 32, line 16, increase the amount by $2,600,000,000.

On page 43, line 15, decrease the amount by $2,600,000,000.

On page 43, line 16, decrease the amount by $2,600,000,000.

Mr. DOMENICI. Mr. President, this is budget neutral.

Mr. CONRAD. The Senator is correct. I also would like to be shown as an original cosponsor, if I might. I ask unanimous consent for that.

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

Mr. CONRAD. Mr. President, if I might indicate to the chairman, we have one amendment on our side, the Graham SSBG amendment. It is being modified in accordance with the request of the other side. As I understand it, the Senator is on his way to the floor with that amendment. That would bring us even closer to conclusion.

Mr. DOMENICI. The Senator is correct. 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. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I understand that on the Bingaman LIHEAP amendment we did not complete action; is that correct?

The PRESIDING OFFICER. The Chair informs the Senator that is correct.

Mr. DOMENICI. We have no objection on this side.

Mr. CONRAD. We have no objection on this side. In fact, we support it on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 302), as modified, was agreed to.

Mr. CONRAD. Mr. President, we modified the amendment. Now we need to move to consideration of the amendment.

The PRESIDING OFFICER. It was adopted. It has been agreed to.

Mr. CONRAD. I thank the Chair.

Mr. DOMENICI. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 316, AS MODIFIED

Mr. CONRAD. Mr. President, our final amendment on this side is an amendment from the Senator from Florida. If we can go to that amendment, we will be very close to completing amendments on this side.

Mr. DOMENICI. I ask the distinguished Senator, has he modified the amendment so it is budget neutral?

Mr. GRAHAM. It is. We made that modification.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, briefly, this amendment fulfills a commitment that the Congress made in 1996 to the States upon the adoption of Welfare-to-Work, and that is that we would support the Social Services Block Grant Program which is a program within Social Security which has provided for a number of important programs that have assisted people on welfare, getting to work, and particularly child care programs. This has broad support. Senators HUTCHISON, GRASSLEY, COLLINS, SNOWE, ROCKEFELLER, CARNAHAN, MURRAY, SCHUMER, WELLSTONE, KENNEDY, LANDRIEU, KERRY, and BINGAMAN are some of the cosponsors of this amendment. I believe it has broad bipartisan support. I urge its adoption.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mrs. HUTCHISON, Mr. GRASSLEY, Ms. COLLINS, Ms. SNOWE, Mr. Rockefeller, Mrs. CARNAHAN, Mrs. MURRAY, Mr. SCHUMER, Mr. Wellstone, Mr. KENNEDY, Ms. LANDRIEU, Mr. KERRY, and Mr. BINGAMAN, proposes an amendment numbered 316, as modified.

The amendment is as follows:

(Purpose: To restore the Social Services Block Grants to $2.38 billion in accordance with the statutory agreement made in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996)

On page 27, line 3, increase the amount by $680,000,000.

On page 27, line 4, increase the amount by $680,000,000.

On page 43, line 15, decrease the amount by $680,000,000.

On page 43, line 16, decrease the amount by $680,000,000.

The PRESIDING OFFICER. Does the Senator seek recognition?

Mr. DOMENICI. Only to say we have no objection to the amendment. As drafted, it is budget neutral, and we accept it on our side.

The PRESIDING OFFICER. Are there any other comments concerning this amendment?

Without objection, the amendment, as modified, is agreed to.

The amendment (No. 316), as modified, was agreed to.

Mr. REID. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMTRAK

Mr. BIDEN. Mr. President, as we debate the budget resolution, I rise today with the distinguished Senators from Texas, South Dakota, Mississippi and Massachusetts to bring to the attention of our colleagues the urgent need to provide Amtrak and the states with the stable source of capital funding they need for a national system of high speed rail corridors. Specifically, we would like to discuss the need for action on S. 250, the High Speed Rail Investment Act of 2001. We introduced this legislation earlier this year, and already more than 50 of our colleagues from both sides of the aisle have signed on with us.

This bill is cosponsored by both the majority and minority leaders, which brings me to the point of my comments today, as we are considering the budget resolution, that will set our priorities for this year's session of Congress.

Last December, on the very last day of the last session, I took the floor to discuss identical legislation with Senator LOTT, Senator DASCHLE, and other leaders of our body. Our leaders were gracious enough to make a commitment to bring this legislation to the Finance Committee, on which they both serve, and to the Senate floor, during this session.

For reasons beyond our control, we could not include important legislation in the omnibus appropriations bill, but many of us in the Senate, and I was among them, would not take ''no'' for an answer. My great friend Senator ROTH, along with Senators MOYNIHAN and LAUTENBERG, had worked too long on this issue to let this die.

While we could not get this done last year, we got the next best thing: the word of our leaders, on both sides of the aisle that this legislation would be on their list of priorities for this year. So as we discuss our priorities in this budget resolution, it is important to hear from them that the High Speed Rail Investment Act is still on that list.

I yield to Senator HUTCHISON, who has done so much to promote rational, efficient surface transportation in this country, including the indispensable component of passenger rail.

Mrs. HUTCHISON. I thank the Senator from Delaware. I join with him in thanking our leadership for their commitment to us at the end of the last Congress. As we discuss the budget resolution, it is important to make it clear, on the record, that our determination to pass the High Speed Rail Investment Act this year, as soon as possible, is as strong as ever.

Virtually all of our key modes of transportation are under stress today. From our overcrowded highways to our packed airports, we are losing billions of dollars in wasted time just trying to get to where we need to go. And lying right along side those crowded highways, running right past those overloaded airports, are neglected rail lines that could be carrying passengers between our nations cities.

That is why so many Senators have already joined us in support of our legislation, and that is why the nation's governors, mayors, state legislators, and many others support us, as well.

I ask our leaders directly if this budget resolution, which establishes the overall priorities for this session of the Senate, makes room for the commitment they made here on the floor last year.

Does the distinguished minority leader care to respond?

Mr. DASCHLE. I will be happy to respond to my good friend, the distinguished Senator from Texas. She, and my colleague from Delaware, Senator BIDEN, are correct. Last session we made a promise to consider legislation

to provide Amtrak with the authority to issue tax credit bonds for capital improvements. This bonding authority is critical to Amtrak's future and to the economic health of the Northeast and many other areas of the country.

Last year, I discussed this issue with members of my caucus. We had a very spirited discussion on the morning of December 15, and I know how strongly they support Amtrak and this legislation. We kept our promise and re-introduced this praiseworthy legislation earlier this year with 51 original cosponsors. Amtrak supporters will not give up on passing it and we promised to help them accomplish this task. I yield the floor to the majority leader.

Mr. LOTT. Mr. President, I thank the Democratic leader and praise his commitment and dedication to this issue. I am honored to be working with him, and my other colleagues, on strengthening our national rail passenger system. I have been an active supporter, and was very much involved a couple of years ago when we passed the Amtrak legislation. I think we need it.

Now, I must confess one of the reasons I think we need it is I want us to have good service, not just in the Northeast, but I also would like to have access for my own State of Mississippi to be able to get to Atlanta and Washington and Dallas. We are the beneficiaries of Amtrak service. I think we have to support it.

What's most important is that we give Amtrak an opportunity to succeed. If you do not have adequate capital investment, if you don't have modern equipment, if you don't have the new fast trains, if you don't have a rapid rail system, it will not work.

So I support this legislation, and will work with my colleagues to get the appropriate hearings in the Finance Committee and hopefully in the Commerce Committee. I am on both committees, and Senator DASCHLE and I will work with the ranking member and the chairman to get hearings and move this legislation.

When we talk about bipartisanship, transportation is an issue on which we have been able to work together in a bipartisan way, whether it is roads, AIR–21, TEA–21, Amtrak, rapid rail system. We can do it again, and I am committed to ensure that we do.

I now yield to the Distinguished Senator from the state of Massachusetts, Senator KERRY.

Mr. KERRY. The leaders are exactly right. There was a lot of passionate dialogue in our caucus last year about the High Speed Rail Investment Act, and the minority leader listened to all of us very carefully. Our caucus, I must say, was united in its commitment to the notion that those of us who cared about this innovative bonding legislation needed to have some kind of response on the floor that indicated how we could proceed with this legislation. I am pleased with the commitment made by the leadership last year, and I am pleased with the quick introduction and overwhelming support for this legislation this year. I am also very grateful for the majority leader's commitment, given last December, to getting movement on this bill within the first six months of this session.

As summer approaches, intercity travelers can look forward to bottlenecked highways and airports strained beyond capacity. Is it any wonder that Amtrak's ridership is on the rise? But in order to improve our ability to travel the country without delay, the Federal Government needs to provide business travelers and vacationers with a third option. At the moment, the Federal Government invests in road-building and air transportation, but only about 5 percent of our transportation budget over the last 30 years has gone to help Amtrak provide top-quality intercity rail service. We've got to do more in order to have a truly intermodal transportation network, and a large majority of this body recognizes that fact.

Fifty-six Members of the Senate are now cosponsors of this legislation, Mr. President. As I have said many times before, high-speed rail is not a partisan issue. It is not a regional issue. It is not an urban issue. So I look forward to building on the legacy of Senator Moynihan and Senator Lautenberg and completing what is absolutely essential for this country, which is a high-speed intercity rail system of which the Nation can be proud.

FUNDING FOR GRADUATE MEDICAL EDUCATION

Mrs. FEINSTEIN. Mr. President, I would like to raise an important issue impacting close to 60 independent children's hospitals across the Nation and numerous sick children and their families: the need for full funding for graduate medical education (GME) at our Nation's freestanding children's hospitals to train pediatricians.

Independent children's hospitals face a serious financial burden and competitive disadvantage because they do not receive GME support through Medicare. Medicare is the only source of significant and stable GME support available to hospitals for the training of medical residents. In the absence of any movement towards GME reform, the children's hospitals GME discretionary grant program was enacted to ensure that these institutions could sustain their teaching programs—programs that are important not only to the future of these children's hospitals and their essential services, but also to the future of the pediatric workforce and pediatric research.

The Lewin Group, an independent firm, has calculated that pediatric residents at free-standing children's hospitals would receive a total of $285 million from the Federal Government if they were reimbursed according to the formulas established for residents at other teaching hospitals. Consequently, I believe that Congress must commit to provide $285 million for the children's hospitals GME program in the fiscal year 2002 Labor/HHS/Education appropriations bill.

California has six independent children's hospitals across the State. These hospitals provided state-of-the-art care and conduct ground breaking research to make life better for our children. Equally important, these teaching hospitals train future pediatricians. Without the necessary funds, the children's hospitals in my State will be unable to train pediatricians to provide the care and conduct the research necessary to improve the quality of life for some of California's sickest children. These relatively few institutions play an indispensable role in our children's care, serving as centers of excellence in pediatric medicine and as a major piece of the pediatric health care safety net.

I ask the Senator from Missouri if he has anything he would add at this point.

Mr. BOND. Mr. President, I thank Senator FEINSTEIN for her comments. Our goal here is simple: We must, once and for all, treat children's hospitals the same as we do other teaching hospitals when it comes to funding physician training. This year, that means Congress must fully fund the Pediatric GME program as its authorized level of $285 million in fiscal year 2002.

Two years ago, Congress finally recognized this need by passing legislation I sponsored with my friend, former Senator Kerrey of Nebraska, to authorize the children's hospitals GME initiative. Over the last couple of years, I have led the effort to fund this important initiative.

Last year, Congress appropriated $235 million for the children's hospitals GME program—not quite enough for full parity with other teaching hospitals, but a good step forward. This year, we need to continue that momentum and finally treat all teaching hospitals equally. If it is important to train a doctor who treats adults, it's equally as important to train a doctor who treats children. We must make our policies reflect that important principle, and I am confident we can get there this year.

I see the Senator from Massachusetts on the floor, and I ask if he has anything he wishes to add.

Mr. KENNEDY. I thank Senator BOND for his comments. I could not agree more with the Senator from Missouri. We must work together to fully fund the Pediatric GME program at $285 million in fiscal year 2002.

Independent children's hospitals are experiencing very serious financial challenges that affect their ability to sustain their missions. In addition to the challenges of covering the costs of their academic programs, they include challenges in covering the higher costs of sicker patients in a price competitive marketplace, meeting the costs of uncovered services such as child protection services and poison control centers, and assuming the costs of devoting a large portion of their patient care to children from low-income families.

On average, independent acute care children's hospitals devote nearly half

of their patient care to children who are assisted by Medicaid or are uninsured. They devote more than 75 percent of their care for children with one or more chronic or congenital conditions. For children with rare and complex conditions, independent children's hospitals often provide the majority of care in their region or even nationwide.

Furthermore, independent children's hospitals—including Boston Children's—serve as advocates for the public health of children, and they are essential to the health care safety net for children of low-income families. Our children are our most vulnerable patients. Pediatricians and pediatric specialists provide a crucial voice for these children who are not able to ensure their own health care. Without funding for this training even our Nation's number one Children's Hospital, Boston Children's, will no longer be able to ensure that our children receive state-of-the-art care targeted to their special needs.

The Senator from Ohio and I have worked together on this issue over the years. I ask the Senator from Ohio, would he agree that graduate medical education programs at children's hospitals are essential to meeting the health care needs of our Nation's children?

Mr. DEWINE. I agree wholeheartedly. I appreciate the comments from the Senator from Massachusetts, and I would like to mention a few more reasons why these funds are so important.

Fully funding the GME program will enable our independent children's teaching hospitals to sustain their core missions medical care, teaching and research which benefit all children. These children's hospitals serve as the health care safety net for low income children and are often the sole regional providers of many critical pediatric services. Their teaching mission is also essential. Even though they comprise less than one percent of all hospitals, children's hospitals train 5 percent of all physicians, nearly 30 percent of all pediatricians, almost 50 percent of all pediatric specialists, and two-thirds of all pediatric critical care doctors. The research that our country's pediatric academic medical centers perform is also essential and the need for more pediatric researchers is growing. Fully funding the GME program within our children's teaching hospitals is an investment in children's health that I would urge my colleagues to support.

DOD CIVILIAN WORKFORCE RESHAPING

Mr. VOINOVICH. Mr. President, last year, my colleague from Ohio, Senator DEWINE and I introduced the Department of Defense Civilian Workforce Realignment Act. The purpose of this legislation was to extend, revise, and expand the Defense Department's limited authority to use voluntary incentive pay and voluntary early retirement in order to restructure the civilian workforce to meet missions needs and to correct skill imbalances, especially in high skilled fields. Given the significant numbers of eligible Federal retirees the Department will face in just a few short years, we believed then and now that the Department needs the ability to better manage this extraordinary workforce transition period. Just as important, this smoother transition period would allow for better and more effective development of our younger workers, who will have a better chance to learn and gain from the expertise of the older generation of innovators. A similar bill was also introduced by our Ohio colleagues in the House, Congressmen DAVE HOBSON and TONY HALL.

After discussions with the chairman of the Armed Services Committee, Senator WARNER, we included language in the fiscal year 2001 Defense authorization bill to allow for voluntary early retirement authority and voluntary separation incentive pay for a total of 9,000 Department of Defense civilian employees for fiscal year 2001 through 2003. This language provided, at least initially, the critical new flexibility to the Department of Defense to better manage its civilian workforce. However, this language simply gave the Defense Department the authority to initiate the program in fiscal year 2001 utilizing discretionary funds, but required that ''the Secretary of Defense may carry out the program authorized . . . during fiscal years 2002 and 2003 with respect to workforce restructuring only to the extent provided in a law enacted by the 107th Congress.'' Senator DEWINE and I intend to work closely with Chairman WARNER, and the Ranking member of the Committee, Senator LEVIN to ensure that the necessary workforce restructuring provisions are enacted this year. I see my colleague from Ohio on the floor, and would yield to him for any comments.

Mr. DEWINE. I thank my friend from Ohio for yielding, and agree with his comments. The reason why we had to settle on limited language in last year's defense authorization bill is mainly because our initial legislation required mandatory, or direct spending, which must be provided for as part of the budget resolution. The actual direct spending involved, according to the Congressional Budget Office, amounts to $82 million through fiscal year 2011. So, as my colleague from Ohio would agree, we are seeking a minimal amount to provide the Defense Department with the maximum flexibility needed to meet its workforce challenges. We are hopeful that the Bush administration will call for this financing as part of the fiscal year 2002 defense budget, and for that reason, we have been working with the chairman of the Budget Committee, Senator DOMENICI, to ensure that the necessary direct spending amounts are assumed in this year's concurrent resolution. I see Chairman DOMENICI on the floor, and will yield to him at this time.

Mr. DOMENICI. I thank the two Senators from Ohio for their interest and hard work in this important issue. This is a matter that impacts a number of states that are home to civilian employees of the Defense Department, including New Mexico. I know my colleagues from Ohio have been working on this issue for several years, and I agree that something needs to be done. As this budget resolution assumes the President's budget, if the President's budget accommodates the direct spending necessary for this program, then the Senators from Ohio can assume that this budget resolution accommodates this program. So, the Senators from Ohio can be sure that if this matter is addressed in the President's budget, I will work with them to be sure that the final budget resolution we will work out with the House will assume all the increases and new programs in the President's budget for important programs, such as this one.

Mr. VOINOVICH. I thank the Chairman of the Budget Committee for his comments, and look forward to working with him and Senator DEWINE to ensure this assumption is maintained in the final budget resolution approved by Congress.

LONG-TERM CARE STAFFING SHORTAGE

Mr. JOHNSON. With the many priorities we have to cope with, I would simply like to point out that we cannot lose sight of the need to address the very critical problem of labor shortages plaguing our health care providers both in my State, and all across the Nation.

It is important that the budget resolution we ultimately pass address these labor shortages.

In my own State of South Dakota, for example, it is not uncommon to have a 100 percent turnover rate for Certified Nursing Assistants—clearly that's a crisis that should not and cannot continue if we are going to maintain quality care for seniors. And for anyone who doesn't know what the Certified Nursing Assistants do—they are the ones who provide the front line, bedside care to the frail and elderly. A very difficult and demanding job.

Another major problem is that the average starting salary for South Dakota's certified nursing assistants is just $7.32 per hour—and the average wage is $8.10 per hour.

Mr. GREGG. We have similar problems in New Hampshire, and I agree with my colleague that we have a shortage of trained health care workers, particularly those providing services to our nation's elderly. If this problem is not addressed, the viability of our nation's entire health care system will be threatened.

Mr. JOHNSON. Just as bad, and yet another problem that creates a parallel crisis, is the fact that many states—including my own—simply do not have realistic Medicaid reimbursement rates.

In my state, Medicaid provides the resources for care for more than two out of three patients in nursing homes. South Dakota's average daily Medicaid

reimbursement rate is $83.78 per patient, which, in fact, is a $17.34 shortfall from covering the actual cost of care. It's simply not plausible for $83.78 per day to cover the cost of care, room and board, three meals a day, medicine, specialized equipment and other critical needs.

The net result of these artificially low Medicaid reimbursement rates is that they further squeeze an already difficult labor and staffing situation—and these problems feed on themselves to make matters very, very problematic for our health care providers.

Until we begin increasing Medicaid reimbursement rates to levels more than we pay a babysitter, for example, this squeeze will continue and seniors will be threatened.

Mr. GREGG. Like your State of South Dakota, New Hampshire is currently plagued by low Medicaid reimbursement rates. Skilled nursing facilities caring for our frail and elderly are expected to take this meager reimbursement rate and provide 24-hour care, room, board, meals, and some therapies—and of course, nursing salaries come out of this cost as well. So it is no surprise that the average Certified Nurse Assistant turnover rate is approximately 80 percent.

In New Hampshire, the livable wage for a single parent with two kids is $18.92 an hour. The average starting salary of a Certified Nursing Assistant starts at $8.50 an hour, and the average salary is $10.26. Skilled nursing facilities in our state have their hands tied over how much they can pay due to low reimbursement rates. We simply must invest in the care of our frail and elderly. I hope Congress will address this problem of long term care staffing shortage.

RESTRICTIONS ON ADVANCE APPROPRIATIONS

Mr. WARNER. I bring to your attention, my concern about a provision in the House version of the Concurrent Budget Resolution, H. Con. Res. 83, concerning restrictions on advance appropriations. The Senate provision more properly addresses this issue. The House provision (Section 13) is extremely vague and restricts both the Congress and the Administration concerning the funding of capital projects using advance appropriations. As you prepare to conference the Fiscal Year 2002 Concurrent Budget Resolution, I urge you to sustain the Senate provision (Section 201) in the final conference report.

Mr. LOTT. I strongly concur with the Chairman of the Armed Services Committee on this issue, and also urge that the Senate provision on advance appropriations be included in the final conference report.

Mr. SESSIONS. As Chairman of the Seapower Subcommittee, I fully support the Senate provision concerning advance appropriations in the Concurrent Budget Resolution. I think it is important that members have tools such as advance appropriations available to consider as a financing option for capital projects such as building ships.

Ms. SNOWE. I want to thank the distinguished Chairman of the Budget Committee for his consideration and cooperation in this very important matter as well as the distinguished Chairman of the Armed Services Committee and Majority Leader for bringing this issue to my colleague's attention. The Senate version reinforces the President's budget blueprint for advance appropriations as a full funding mechanism that can be used by various departments, such as the Department of Energy, the Department of Transportation, and the Department of Defense, and agencies, such as NASA, to level fund capital projects. Without this valuable tool, the ability of Congress to budget the federal government's capital investment projects will be severely restricted. I most strongly concur with my esteemed colleagues that the Senate version must be sustained in conference.

Ms. COLLINS. I want to take a moment to commend and thank my distinguished colleagues for their insight and leadership on this critical issue. The use of advance appropriations would provide our federal agencies the flexibility to alternatively fund large capital investments. Specifically, I am aware that the Navy is currently studying advance appropriations as a means to reform the way it acquires its ship in an effort to stabilize the shipbuilding program, flatten out budget spikes, and potentially reduce costs through economic order quantity buys of ships and their systems. I believe that this funding alternative should be pursued, and I hope to see the Senate provision sustained in Conference.

Mr. DOMENICI. These are important concerns that the Majority Leader, the distinguished Chairman of the Armed Services Committee, and Senators SESSIONS, SNOWE and COLLINS have raised. The Senate version, section 201, Restriction on Advance Appropriations, provides for the funding of capital projects, while maintaining the discipline of full advance funding. I assure my colleagues that I will work to ensure that this issue is adequately addressed.

Mr. WARNER. I thank the distinguished Chairman of the Budget Committee for his cooperation.

FUNDING FOR THE CORPORATION FOR PUBLIC BROADCASTING

Mr. STEVENS. Mr. President, I would like to raise a concern with the Chairman of the Budget Committee regarding advance appropriations. Specifically, I am concerned about the funding for public broadcasting.

Consistent with the President's budget request, the Resolution provides that any advance appropriation would be scored in the year in which it is appropriated instead of the year in which it is obligated, the past policy. This provision was included because of past problems with the practice. Last year, for example, the Administration threatened to veto appropriations bills unless increases in funding were provided using the mechanism of advance appropriations. The provision is intended to close that loophole.

Despite its strong support for this provision, the Office of Management and Budget has indicated its willingness to examine specific programs, on a case by case basis, to determine whether an advance appropriation is merited for programmatic reasons. For example, I was informed today the Office may consider advance funding for certain defense construction or procurement items which by definition often involve multi-year obligations.

My office has talked to OMB officials as recently as this morning on this issue. They are willing to work with the Appropriations Committee and the Budget Committee over the recess to determine whether CPB should be granted an exception to the rule. If an agreement could be worked out acceptable to all the parties, I believe the Budget Committee should have the flexibility to consider it in conference if it so chooses.

Mr. SPECTER. Mr. President, If the distinguished Chairman of the Budget Committee is willing to review this matter with OMB and the Appropriations Committee, there are several issues I hope he will consider. First and most important, the practice provides the lead time stations need to line up programs that may take up to two or three years to produce—programs like Baseball and the Civil War that are years in the making. In other words, advance funding encourages prudent planning.

Second, it allows the stations to use the availability of federal funds to leverage private sector funding both through foundations and viewer fundraising to maximize the resources available for quality programs. And lastly, advance funding reduces the potential of political interference in programming decisions.

DEDUCTIBILITY OF STATE AND LOCAL SALES TAX

Mr. THOMPSON. Mr. President, Section 17 of the House-passed budget resolution for fiscal year 2002, H. Con. Res. 83, contains language relating to an issue that is important to the citizens of my home State of Tennessee, and the citizens of Texas, Wyoming, Florida, South Dakota, Nevada and Washington. The issue is the deductibility of state and local sales taxes. Section 17 of H. Con. Res. 83 states that it is the sense of the House of Representatives that the Committee on Ways and Means should consider legislation to make State sales taxes deductible against Federal income tax.

Earlier this year, I introduced the AMT and Tax Deduction Fairness Act of 2001, S. 291. My bill would allow individuals to deduct either their state and local sales taxes, or their state and local income taxes on their federal tax

return, but not both. Currently, the federal tax laws discriminate against residents of states like mine that choose to raise revenue primarily through a sales tax, because federal law does not permit a deduction for state and local sales taxes. Federal tax law does provide a deduction for state and local income taxes, however. Prior to 1986, taxpayers were permitted to deduct all of their state and local taxes paid, income, sales and property. This deduction was based on the principle that imposing a tax on a tax is unfair. The Tax Reform Act of 1986 eliminated the deductibility of state and local sales taxes, but retained the deduction for state and local income taxes. My bill is simply intended to address this inequity in the tax code. According to a March 2000 Joint Committee on Taxation revenue estimate, the cost of allowing individuals to deduct either their state and local sales taxes or state and local income taxes, but not both, is $25.1 billion over 10 years.

It was my intent to offer an amendment to the Senate budget resolution similar to Section 17 of H. Con. Res. 83, expressing the sense of the Senate that the Committee on Finance should consider legislation to make state and local sales taxes deductible against federal income tax. However, I recognize that such an amendment would be ruled non-germane under the Senate's budget rules. Therefore, I want to ask the Chairman of the Senate Budget Committee to work with me during the conference on the budget resolution to retain the House language on this issue with some minor modifications.

Mr. DOMENICI. Mr. President, I recognize the importance of this issue to the Senator from Tennessee, as well as the Senators from Texas, Wyoming, Florida, South Dakota, Nevada and Washington. New Mexico has a gross receipts tax which is a complicated type of sales tax. New Mexico raises about the same amount of revenue from its gross receipts tax as it does from its state income tax. I point this out so that the Senate realizes that the Senator from Tennessee's proposal is an improvement for some states, but it may be a wash for other states.

I believe that it is not good federal income tax policy for the code to favor one state's revenue raising scheme over another state's. This is the situation in the code now. States that have substantial state income taxes, but low or no state sales tax are favored over states that rely exclusively, or more heavily on state sales taxes. A fairness argument can be made for fully restoring the state sales tax deduction, however, to do so would cost the Treasury $83 billion over ten years. Nonetheless, the Senator from Tennessee has raised an important issue, and I pledge to work with my colleague during the conference on the budget resolution to include language regarding the deductibility of state and local sales taxes.

Mr. THOMPSON. I thank the Senator from New Mexico for his assistance.

Mr. BYRD. Mr. President, over the past few days, we have heard a great deal of promises made regarding the FY 2002 budget resolution. As I have listened to the arguments made in support of this budget resolution, I am reminded of a scene from Jerome Lawrence's and Robert E. Lee's play, Inherit the Wind.

On a sultry summer evening in a small town, two men sit in rocking chairs, reminiscing about their childhoods. One man tells the other of a beautiful rocking horse that he had longed for as a child. That rocking horse—Golden Dancer—shimmered in the sunlight that streamed through a storefront window. Knowing the rocking horse would cost his father a week's wages, he harbored little hope of ever owning that magnificent steed—expecting that it would always lie just beyond his reach, behind the storefront glass. But knowing of their son's dream, his father worked nights and his mother scrimped on groceries to buy that rocking horse. On the morning of his birthday, he awoke to find, at the foot of his bed, the rocking horse of his dreams, Golden Dancer. He hopped out of bed, jumped into the saddle, and began to rock. Almost in an instant, the rocking horse split in two. The wood was rotten. The whole thing had been put together ''with spit and ceiling wax. All shine and no substance . . . all glitter and glamour.'' That's how I feel about the promises made regarding this budget resolution and the approximately $1.5 trillion tax cut it authorizes.

Mr. President, it was not too long ago that the American people were being enticed by the glittering promises of another Republican Administration. In 1981, President Reagan promised that massive tax cuts would balance the budget and reinvigorate an economy plagued by unemployment and inflation. Congress approved the Reagan economic plan. I even voted for it. I said at the time, President Reagan ''is the new President, give him a chance.'' But four years later, I stood on this floor and spoke of my regret at having cast that vote.

That was in 1985, the year President Reagan had promised a balanced budget. In fact, according to the Reagan Administration's 1981 projections, our nation was supposed to be enjoying a $500 million surplus in FY 1984, a $6 billion surplus in FY 1985, and a $28 billion surplus in FY 1986. Instead, the nation recorded a $185 billion deficit in FY 1984, a $212 billion deficit in FY 1985, and a $221 billion deficit in FY 1986. As a result, President Reagan's deficit/surplus estimates for FY 1982–FY 1986 fell short of their targets by $921 billion. That golden promise of a bright fiscal reward turned out to be mere fool's gold.

The American economy was in shambles. In 1982 and 1983, the annual unemployment rate was 9.7 and 9.6 percent, respectively, the highest rates recorded since 1950. In 1985, while America's wealthy were reaping the largest share of the national income since World War II, businesses and banks were failing at a record breaking pace. Our savings rate was the lowest in four decades, and our national trade deficit was ascending to a record high. There were record poverty rates in that year as well.

Instead of beginning to pay off the federal debt, our debt obligations had more than doubled, soaring from $1 trillion in 1981 to $2.1 trillion in 1986. In 5 years, the Reagan Administration, with its sacred tax cuts, had accomplished what it took the previous 39 presidential administrations the entire history of the United States to do—increase the Federal debt by a trillion dollars.

In 1981, then-Senate Republican Leader Howard Baker had called the Reagan economic plan a ''river boat gamble.'' It is clear that the country had lost the bet.

It took the hard-nosed, realistic 1993 Democratic plan to put America's economic house back in order. That was a real budget, a budget of hard choices and hard decisions, including tax increases. Democrats understood the political fall out that would come from raising taxes. No one really wanted tax increases. No one ever does. But we put the country first, we did what was necessary to cut the deficit, and we paid for it in the 1994 congressional elections.

I call that 1993 budget a Democratic budget because not one single Republican in either the House or the Senate, voted for it. The Republican Senate Leader at the time claimed that the budget did ''not tackle the deficit.'' Another Republican Senator said: ''the plan cannot help the economy.'' Another even used the dreaded ''R'' word, claiming that it was a ''one-way ticket to a recession.'' And yet another Republican Senator said of the tax increases in that budget: ''make no mistake, these higher rates will cost (American) jobs.''

Yet, no recession came. There were eight years of solid economic growth, eight years of job growth. We finally achieved a balanced budget, and we are paying off the national debt.

Now, 20 years after the 1981 Reagan fiscal disaster, a new Republican Administration is making the same glittering promises to the American people. The Senate today was asked to buy another ''Golden Dancer.'' This budget resolution looks alluring sitting in the store window. But all that holds it together are the spit and ceiling wax of rosy ten-year surplus projections and unrealistic spending cuts.

Mr. President, I have already spoken at length this week about how the Senate has considered this year's budget resolution with maximum hurry and minimal information, debate, and opportunity for amendment. First, the Budget Committee—for the first time ever—was not allowed to draft a budget resolution. Instead, one was presented

to the Senate by the Chairman of the Budget Committee and his party's leadership. Second, the Senate considered this budget resolution without the benefit of the President's budget, which means that the Senate has no way of knowing what programs will be cut to make room for these massive tax cuts.

The most egregious example of this can be found as a footnote on page 188 of the President's budget outline, A Blueprint For New Beginnings, at the bottom of Table S–4. The footnote reads: ''The final distribution of offsets has yet to be determined.'' Until April 9th, when the Congress receives a detailed copy of the President's budget, the Senate has no way of knowing what the specific reductions will be for $20 billion in spending cuts that are proposed on page 188 of the President's ''Blueprint'' for this year's budget.

What we do know is based on what was presented to us by the Budget Committee Chairman and the Republican leadership in the form of this budget resolution. What we have here is a ten-year spending plan built on the Congressional Budget Office's ten-year surplus projections. But what of those projections?

In testimony before the Senate Budget Committee, Deputy Director Barry Anderson repeatedly warned about the volatility of these projections. In fact, the Congressional Budget Office devoted an entire chapter in its Budget and Economic Outlook: Fiscal Years 2002–2011 to the uncertainties in forecasting economic and budget conditions. On page 93 of that document CBO cautions that there is only a 10 percent chance that budget surpluses will materialize as they have projected. On page 95 the CBO warns that, based on historical averages, its projections will be off by $52 billion in FY 2001, $120 billion in FY 2002, and $412 billion in FY 2006.

To be considering a ten-year budget plan that includes permanent tax cuts, after the Congressional Budget Office has gone to such lengths to explain just what a crapshoot these projections are, is the pinnacle of fiscal irresponsibility. The Congressional Budget Office has put warning labels on everything this year. CBO officials say that this budget could be hazardous to the fiscal health of the nation. Yet, we hopped onto a ten-year budget plan without so much as blinking.

Why? What was the hurry? Why couldn't we have waited until we saw a copy of the President's budget? Why couldn't we have waited until the Joint Tax Committee and the Congressional Budget Office had the details they needed to examine the President's budget and report back its findings to the Congress? We accepted these surplus projections based on little more than faith, without any real idea how these massive tax cuts would affect the overall budget.

Fiscal prudence dictates that we should move slowly before enacting massive tax cuts based on these highly speculative surpluses. Does this budget resolution embrace that notion? No. In fact, it includes reconciliation instructions to expedite—not delay—but expedite consideration of these tax cuts.

I have already spoken at length about reconciliation, and how using such a procedure to limit the Senate's consideration of the President's tax cut plan would ''break faith with the Senate's historical uniqueness as a forum for the exercise of minority and individual rights.'' This is my greatest concern. But reconciliation would also put us on the fast track for passing massive tax cuts without any room to reverse or correct our course later if these surplus projections turn out to be false. This train has us speeding through a long, dark tunnel with no lights and with no idea of what lies ahead.

The only thing that we know for certain is that these tax cuts will prevent any substantial domestic investments over the next ten years, even if we accept these surplus projections at face value. This budget resolution barely keeps pace with what the Congressional Budget Office says is necessary to maintain current services. In addition, this budget contains no adjustment for the fact that we are a growing nation, with our population expected to increase by 8.9 percent over the next ten years. There will not be enough money to address the backlog of infrastructure needs that have built up over the past years. Our schools are crumbling, our roads need repair, our bridges are falling down, our drinking water is polluted, our sanitation systems are inadequate, our dams are unsafe. Are we expected to ignore these problems so that we can finance a tax cut for the wealthy!

What about Social Security and Medicare reform? When the baby-boom generation begins to retire over the next ten years, financial pressure on the Social Security and Medicare trust funds will rise rapidly as payroll tax income falls short of what is needed to pay benefits. Both programs are expected to have expenditures in excess of receipts in 2016. Where will the federal government find the money to finance these benefits? In the absence of budget surpluses for the rest of the government's operations, policymakers would have three options: raise other taxes, curtail other spending, or borrow money from the financial markets. If we go along with these massive tax cuts, how will we honor our pledge to protect Social Security and Medicare?

And, what about the unforseen disasters that will inevitably occur over the next ten years, or the increases in defense spending that ultimately be recommend by the President's advisory committee? How is Congress expected to pay for these needs if it has already frittered away available surpluses?

Mr. President, 170 years ago, a frustrated German philosopher Friedrich Hegel pointed out that ''what experience and history teach is this—that people and governments never have learned anything from history, or acted on principles deduced from it.'' What better way to reaffirm that opinion than by the Congress enacting a massive tax cut based on highly speculative surplus projections.

By passing this budget resolution today, the Senate has ignored what history has tried to teach us. I say to my colleagues, we have taken this ride before. This budget is nothing more than spit-shined Reaganomics, and it deserved to be defeated.

Mr. MCCAIN. Mr. President, I will vote for the budget resolution for fiscal year 2002 in the interest of moving the budget process forward. My vote for the resolution should not be interpreted as an endorsement of the budget package. Indeed, I have some serious reservations about the priorities and assumptions contained in this resolution. At this point in the process, we do not know the details of a final budget. Rather, the Senate is only voting on a blueprint, not a completed budget document.

I have a statement of principles that I believe should be reflected in the final budget proposal. I believe that these five principles reflect the Main Street economic realities that Americans talk about at their dinner tables.

My first principle is that the budget must provide sufficient resources for our national security. We have a solemn obligation to provide enough resources for those American military personnel who have volunteered to risk their lives to defend the rest of us.

For too many years, the Clinton Administration neglected the people who volunteered for military service. But with appropriate increases and money freed up from eliminating waste and inefficiency in the defense budget, we can make progress toward restoring the morale and readiness of our Armed Forces.

Currently, the Administration is undertaking an extensive review of our defense needs and necessary reforms. I want to make certain that the budget provides the resources for these overdue reforms, but also recognize that in the near term our air, sea, and land forces need to be substantially strengthened. That is why I supported the amendment by Senator LANDRIEU to substantially increase our defense budget over the next ten years.

The second principle that will guide my judgement of a final budget is tax relief for those who need it the most, lower- and middle-income working families. I am in favor of a tax cut, but a responsible one that provides much needed tax relief for lower and middle-income families.

I agree with the President that consumer debt is a massive problem for working Americans. If there is an economic downturn, I am concerned that debt will overwhelm many American households. That is why tax relief should be targeted to middle-income

Americans. The more fortunate among us have less concern about debt. It is the parents struggling to make ends meet who are most in need of tax relief.

I hope that when the reconciliation bills are reported out of the Senate Finance Committee, the tax cuts outlined will also address the pressing issues such as the child tax credit, reduction of the marriage tax penalty, payroll tax reform to lighten the burden of this tax on hard-working Americans, and estate tax reform that will take into account the effect such reform will have on our robust charitable community. For this and other reasons, I support a $5 million cap with regard to the estate tax cut.

In this tax debate, we should avoid class war rhetoric, but a final budget plan should reflect Main Street realities. The Senate Finance Committee should firmly resist granting tax relief that benefits the special interests and K Street lobbyists at the expense of lower- and middle-income American taxpayers.

That kind of tax relief I would never support.

Third, the budget must provide for future obligations in Social Security and Medicare. Reforms are urgently needed in both programs, but we must have the resources to pay for them.

For the first time in history, economic projections show a surplus of $3.1 trillion over the next ten years, exclusive of the surplus in the Social Security Trust Fund. At the same time, we know that the Social Securities system is projected to be bankrupt by about 2037 and Medicare will be broke around 2023, leaving millions of elderly Americans without the promised benefits they need to live comfortably in their retirement years. I am concerned that this budget resolution uses none of the surplus to shore up Social Security, does not use enough to shore up Medicare, and does not provide the resources needed to support reforms of these entitlement programs that will ensure their long-term solvency.

My fourth principle is paying down as much of the national debt as possible. On Main Street, Americans believe it is conservative common sense to meet your financial obligations. Lower federal debt means lower interest rates on consumer loans, especially lower mortgage payments so people will have more money to spend or save.

I applaud the resolution's goal of reducing the level of debt held by the public by nearly $2.4 trillion from a level of $3.2 trillion today to $818 billion in 2011. But I believe that we should use even more of the non-Social Security surplus in the early years to reduce the federal debt burden on future generations, given these surplus projections in the out years could be significantly off.

My fifth principle is restraining spending, which Federal Reserve Chairman Greenspan warns could ''resurrect the deficits of the past.'' Many of the specific funding assumptions in the resolution are laudable, but I have identified tens of billions of dollars of port-barrel spending in annual appropriations bills over the past several years—earmarks that never went through a merit-review process. Because of the compelling need to deal with the problems in Social Security and Medicare, we should look within the budget to eliminate waste in order to fund higher priority requirements, rather than spend the entire surplus on more government.

I am pleased to note that the resolution includes a provision to ensure Congress complies with the revenue and spending levels in the resolution to limit budgetary gimmicks such as a new scoring rule that prevents the use of advanced appropriations to circumvent spending limits.

I also fully support President Bush's intention to eliminate funding for earmarks in his first budget.

While I am concerned that this budget resolution rests on uncertain surplus projections that will surely be affected by a changing domestic and world economic environment, this is just a resolution, not a final budget. In the coming weeks and months, I look forward to working with the Administration and my colleagues for a budget that reflects the principles that I outlined today.

I thank the Chairman and Ranking Member of the Budget Committee for conducting the debate in a civilized and constructive manner. The reconciliation bill that results from this budget blueprint should provide for necessary defense increases, tax relief for the American taxpayer, adequate funding for Social Security or Medicare reform, significant debt reduction, and spending restraint.

Mr. LIEBERMAN. Mr. President, I rise to speak about our country's future and how it is being determined in the debate over this budget resolution, H. Con. Res. 83, which I oppose.

At this propitious moment, we face a set of choices, both pleasant and consequential, about what to do with this precious surplus we have worked so hard as a nation to accumulate. The question is, how do we make the projected surplus work best for us? How do we take advantage of this extraordinary opportunity today to strengthen our economy and country for tomorrow, to expand this prosperity and security for generations to come?

It is my view that this Congress must implement an effective long-term vision. The central point I want to make today is that as we develop a budget, we need to be concerned with more than just a tax plan. We need a strategic blueprint for how to extend and expand our economic growth and how to widen the circle of opportunity and security to allow more Americans to share in the nation's prosperity.

Unfortunately, that blueprint is not coming from our Republican colleagues or from the White House. The President has put forward a tax cut that was designed 15 months ago, in the midst of the Republican primaries, when one of his opponents, Steve Forbes, was promoting flat taxes. The Bush tax plan abandons fiscal responsibility and blithely spends, indeed, overspends, a projected surplus whose size six months down the road is unclear, to say nothing of its dimensions 10 years later. It is a tax plan that gives the most to those who need it least and leaves little or nothing for making the kinds of investments that will secure and brighten our future. Our Republican colleagues have put together a partisan budget blueprint that simply accommodates the President's tax cut.

But neither the Bush plan nor the Republican budget are right for our country. They will waste the wealth our nation has earned over the last eight years and send us back down the road to debt, higher interest rates, and higher unemployment. They cannot answer the big questions of what kind of country we want to be ten years from now, because they do not ask the right questions. They lack vision and therefore squander this moment's opportunity.

The Republican Budget Resolution does not protect the Social Security or Medicare trust fund surpluses. It claims to set aside $453 billion for a ''contingency fund'' in order to prevent Congress from spending the Social Security and Medicare surpluses; however, that amount is not sufficient to maintain current policies, such as extending expiring tax credits, reforming the alternative minimum tax, and providing agricultural assistance—and to pay for the cost of new initiatives such as a national missile defense system. Because of the excessive Republican tax cut and the inadequate size of this contingency fund, Congress may be forced to raid the Social Security and Medicare trust funds or face the prospect of a return to budget deficits. The GOP budget imposes deep cuts on important programs. The Budget Resolution would cut non-defense discretionary spending by about $8 to $9 billion or two percent below the level needed to keep pace with what was provided last year, adjusted for inflation. Funding for environmental protection, disaster assistance, veterans' medical care, Community Oriented Policing (COPS) and the Army Corps of Engineers would be particularly hard hit.

The Republican budget also falls short on debt reduction. The Budget Resolution would reduce the publicly-held federal debt from $3.4 trillion at the end of Fiscal Year 2000 to $818 billion by Fiscal Year 2011. Many experts believe that the publicly-held debt could be reduced to under $500 billion, $300 billion more in debt reduction than proposed by the Republicans.

If we are to seize this moment, we must have a clear vision and a long view of where we want to go, and how best to get there. We need a new approach, rooted in old values—the

broadly cherished principles of freedom, opportunity, responsibility and community upon which this democracy was built—values so ingrained in our national consciousness as to transcend the rhythms of history. We must be guided by the promise of growth and opportunity that moved the pioneers, by the hard-work and enterprise that gave rise to the middle class, by the sense of responsibility to one another that has created good citizens and strong communities, and by that indefatigable American spirit of optimism and innovation that drives us forward in our pursuit of better lives and brighter vistas. What we need is a budget based on fiscal responsibility and wise investments, an agenda that empowers our citizens to succeed in the near term but that also guarantees their long term security.

We must begin with a fiscally sensible budget, a budget that places the highest priority on paying down the national debt. One of the most enduring lessons of the last 20 years is that debt reduction pays off in the long term. Our surplus now gives us a historic opportunity to be debt free by the end of this decade, which will keep interest rates down on home mortgages, car loans, credit card bills and student loans, loosening the budgets of millions of American families. Low interest rates also cut the cost for capital available for business innovation and expansion. We must set aside at least one-third of the projected surplus to continue to pay off America's long-term debt. If the surplus does not turn out to be as large as we hope it will, then we will not have committed to obligations that might drive us into deficit spending again. The funds we set aside for debt reduction will become a rainy day fund.

The next steps would be to invest in the building blocks of our society and economy: defense, healthcare, the environment, education, scientific research and development, and a robust private sector. And yet, the Bush partisan budget does just the opposite.

For example, in healthcare the Bush budget would cut aid to the uninsured. By decreasing the funding for programs that increase access to health services for people without health insurance by 86 percent, the President jeopardizes the health and well being of the nearly 42 million Americans that cannot afford health insurance and will actually decrease their access to health care services. His budget also fails to provide an adequate prescription drug benefit, providing only $153 billion over 10 years to provide for a four year, low-income prescription drug benefit. CBO estimates this level of funding ''won't provide a great deal for any one person.'' I believe America should be increasing access to health insurance and health care services . . . not cutting critical programs. I am committed to passing a prescription drug plan that meets the need of seniors.

I also am discouraged by the lack of funding that the Bush administration plans to designate for essential programs to protect our public health and environment. At the same time the Bush Administration has rolled back a number of regulations for protection in these areas and has walked away from its domestic and international commitments to address the problem of climate change, it also has slashed the funds available to the agencies responsible for these important issues. The amount the Republican Budget Resolution designates for these essential environmental programs is 15 percent below what is needed to maintain FY2001 spending power.

I have supported efforts to put this funding back in the budget resolution. The amendment that I co-sponsored with Senator KERRY renewed the funding for the range of government programs intended to address our climate change problem. I thank my colleagues for recognizing the dire need for these programs and passing the amendment. I also supported the amendment sponsored by Senator CORZINE, which would have provided the funding that is needed for the full range of environmental programs. Mr. President, the protection of the environment is not a luxury item; we must not sacrifice it to pay for a tax cut.

This budget resolution also must recognize that skills and learning not only drive productivity growth, but increasingly determine individual opportunity. We must concentrate our resolve and our resources on changing the way we teach and train our labor force. We need to start at the beginning and reform our K–12 system to raise academic achievement for all children. Congressional Democratic education proposals all provide more funding for our public schools than President Bush and the Republicans do, and that is undoubtedly because they spend so much on his tax cut plan, that he has little left over for other critical societal investments.

As we move forward, we can and should create a direct and progressive connection between taxes and education. Parents, workers and employees should be given tax credits to make lifelong learning easier. The expenses of employers investing in remedial education—to make up for failures in the performances of our K–12 school system—should be offset with a new education tax credit. And most importantly, I support tax relief for low- and middle-income families struggling to pay the cost of their children's college education and their own mid-career retraining. These families should be allowed to deduct up to $10,000 of higher education costs from their income tax each year.

Equally as important are adequate funds for basic science and research and development. The role of scientific innovation is central to our country's economic growth. The story of the American economy is the story of scientific breakthroughs leading to economic growth. Yet, President Bush's budget outline starves three of the greatest generators of innovative ideas: The National Science Foundation, NASA, and the Department of Energy. For instance, the National Science Foundation is slated for a 1.3 percent funding boost, which is effectively a cut, since that increase is less than the rate of inflation. Rather than curtailing physical science R&D funding, we should be doubling the federal basic research investment over the next 10 years and promoting education initiatives to expand the technically-trained workforce. Increases in federal research dollars, at NSF, NASA, and DoE are critical to educating the next generation of scientists and engineers.

A visionary budget must allow for a tax package with a purpose. And that purpose must be, above all else, to stimulate economic growth, to raise the tide that lifts the lot of all Americans. One-third of the projected surplus should be dedicated to tax reductions, some to reward working families and the rest to business tax cuts that stimulate economic growth and new jobs. In the spirit of the Innovation Economy, we should look to tax incentives that will spur the drivers of growth: innovation investment, a skilled workforce, and productivity and there are many possibilities to consider.

In 1997, I supported reducing the capital gains rate to help reduce the cost of innovation investment in our economy, and I think it helped build our economic boom. I believe the capital gains rate should be reduced again. Eliminating capital gains entirely for long-term investments in start-up entrepreneurial firms would encourage a strong venture capital market, and the investment in new companies that is falling off now.

Small firms lagging behind their larger brethren in productivity growth should be given tax credits to invest in information technology. Small business accounts for 40 percent of our economy and 60 percent of the new jobs. But less than one-third of small businesses are wired to the Internet today. Those that are wired—and this is a stunning statistic—have grown 46 percent faster than their counterparts who are unplugged.

One of the most effective ways to spur business investment, productivity increases and economic growth is adjusting depreciation schedules in the tax code to more accurately reflect the lifetime of a product. For some classes of investments, particularly rapidly changing information technology equipment, current depreciation schedules no longer match actual replacement rates, so companies that use technology must continue to carry an expense on their books long after the expenditure has ended its useful life. I suggest that, where appropriate, depreciation schedules should be shortened to reflect actual replacement rates.

Removal of economic and governmental barriers to the build-out of a broadband should be a top priority so

we can erect the next stage of the IT infrastructure. Broadband offers new opportunities for new products, services, and efficiencies. We should offer a tax credit to get this new infrastructure build-out promptly.

Making the R&D tax credit permanent would encourage industry to invest in research and technological innovation. Additional reforms to the credit could make it more accessible to small businesses and start ups and encourage more cooperative research consortia.

If we are successful in building on our prosperity, we will be able to guarantee the future of Social Security and Medicare. Everyone knows that strengthening Medicare will require more resources, not less. Yet the President's tax cut reaches into the Medicare surplus, leaving scant hope for modernization, or a new, meaningful prescription drug benefit, as the President promised. While today's workers will rely more and more on personal savings for retirement, for millions of Americans, Social Security is still the foundation of their old-age support. We must meet our obligations to our retirees, but we must also seek reforms that will make their retirements more secure.

A responsible, long term budget also must be attentive to short term challenges. While I am confident it is the inherent strength of our private sector that will do most to bring our economy out of its current dip, we in government can provide some help through Federal Reserve monetary policy and federal government fiscal policy. Finally, the administration and its congressional allies have acknowledged that the $1.6 trillion Bush tax cut plan would give nothing back to taxpayers this year and little next year. So now, they talk about wanting to add a one year economic stimulus to their larger plan and pass the two together. Mr. President, as I have stated before, I fear that doing so would hold hostage the help our lagging economy needs now to a drawn-out congressional debate about the long-term Bush plan. In other words, help would not come until it was too late.

We need a fair, fast and fiscally responsible tax stimulus. Economists tell us that it would take a tax cut of at least $60 billion to have a positive effect on our economy this year. Current estimates are that the federal government will have a surplus of about $100 billion at the end of this fiscal year, September 30, so we can safely afford a $60 billion stimulus. I would divide that $60 billion by the 200 million Americans who paid income or payroll taxes last year and send each one of them a $300 check as soon as possible—a surplus dividend tax rebate that can give our economy and our national confidence the kick-start they need. That check would go to every member of a family who worked last year.

Ten years from now, we will be judged by the decisions we make today. People will ask, did we fully understand the awesome changes taking place in our economy and in our society? Did we direct our unprecedented surpluses into investments with the greatest returns? Did we give our workers the tools they need to seize the opportunities an innovation economy offers? And were we guided by those proud American values that have brought us this far?

If we keep that perspective in view from the vantage point of our daily lives, we'll have a good shot at answering those questions affirmatively. But we must exercise discipline and follow a regimen: We cannot spend money we don't have, despite the temptations to do so. We must pay our bills and make investments for our future before we take vacations. A short term economic stimulus to help lift us out of this economic slowdown has to be followed by business tax credits and smart investments to sustain longer-term growth. Only then, can we be confident of our ability to provide comfort and security to our parents and for a bright future to our children.

Ms. SNOWE. Mr. President, I rise today to thank the Chairman of the Budget Committee for provisions in his substitute amendment that reinforce President Bush's budget blueprint for the use of advance appropriations as a mechanism for capital investment. The chairman's extraordinary foresight will ensure that the option to use advance appropriations will still be available as a budget management tool for Congress and Federal departments and agencies.

As described by OMB Circular A–11, advance appropriations is a funding mechanism, which together with funding in the current year, provides full funding of capital projects and scores following year funds as new budget authority in the year in which funds become available for obligation. This mechanism is used by various departments, such as the Department of Energy and the Department of Transportation, and agencies, such as NASA, to level fund capital projects. In addition, the Department of Defense is considering employing advance appropriations for capital projects in the future.

Section 13 of the House Budget Resolution recommends severely restricting the ability to use the method of advance appropriations by requiring a capital investment program be scored against 302(a) allocations and totaled in the year in which these appropriations are enacted. This differs from scoring the appropriations in the year in which it is obligated.

The flexibility to use the advance appropriations method is an important management tool that enables federal agencies and departments to score capital investment project appropriations in the year in which they are obligated rather than scoring the whole cost of the project in the year in which the appropriations are enacted. This option allows the federal government to make selected capital investments in much the way the American people would, and that is pay as you go. I urge my colleagues to support and sustain the advance appropriations provision included by our distinguished Budget Committee chairman in his substitute amendment.

WORKFORCE INVESTMENT

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the attached letters of support for the Harkin-Wellstone amendment be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MINNESOTA GOVERNOR'S WORKFORCE DEVELOPMENT COUNCIL,
Saint Paul, MN, April 3, 2001.

Hon. PAUL WELLSTONE,
U.S. Senate,
Washington, DC.

The Minnesota Governor's Workforce Development Council (GWDC) is in support of your efforts to increase funding for workforce development programs in the FY2002 budget resolution.

As you know, Minnesota is experiencing a long-term labor shortage and, in some sectors, short-term economic slowdowns. The combination makes a particularly compelling case for increased federal support for workforce development efforts that benefit incumbent workers, new entrants into the labor market including new Americans, working families, and others seeking to advance their education and upgrade their skills.

Minnesota has worked hard to build a strong and dynamic workforce system. We are currently exploring several options to further strengthen our efforts through a reorganization of some state agencies and a shift toward more local decisionmaking about workforce investments. A constant theme we have heard during these discussions is that the federal resources for training and skill advancement are woefully inadequate.

We have successfully used Workforce Investment Act (WIA), Temporary Assistance to Needy Families (TANF), and Welfare-To-Work Block Grant funds, augmented by significant state resources, to transition thousands into the labor market and advance through the workforce. However, the broad workers shortage, coupled with significant dislocations right now, strains our resources. Additional federal funding would allow us to better serve Minnesotans who need skills training to advance, other training and support to enter the workforce, and training and education to transition to new jobs after a layoff. Additional investment by Congress now would go a long way toward moving us through this short-term dip in the economy and addressing our longer term workforce needs.

On behalf of the Governor's Council, stakeholders in Minnesota's workforce system, and your Minnesota constituents, I urge you to move forward with your efforts knowing that you have our support and confidence. If you need any additional information or assistance, please contact me directly or GWDC staff Luke Weisberg (651–205–4728 or luke.weisberg@state.mn.us) or Kathy Sweeney (651–296–3700 or ksweeney@ngwmail.des.state.mn.us).

Again, we applaud your efforts and appreciate your support on this and other issues.

Sincerely,

ROGER L. HALE,
Chair.

MINNESOTA WORKFORCE COUNCIL ASSOCIATION,
Saint Paul, MN, April 3, 2001.

Re Senate Budget Resolution—Amendment to Increase WIA Funding.

Hon. PAUL WELLSTONE,
U.S. Senate,
Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the members of the Minnesota Workforce Council association (MWCA), I am writing to express our strong support for your efforts to increase funding for Workforce Investment Act (WIA) programs. MWCA's membership consists of the workforce investment board chairs, chief local elected officials, and the program administrators from each of the 16 workforce services areas in Minnesota.

We agree with you that now is the time to invest in workforce development! Unfortunately, President Bush's budget blueprint indicates that funding for WIA programs would be significantly reduced.

Attached is a chart that highlights the funding trends over the past eight years, adjusted for inflation, for the Minnesota Job Services and the Minnesota Job Training Partnership Act (JTPA)/Workforce Investment Act (WIA). As you can see, funding for these key workforce development programs has significantly declined from 1993 to 2000. In Minnesota, using CPI adjusted numbers, we have experienced nearly a 60% reduction in funding for JTPA/WIA (FY 1993 = $34,391,000; FY 2000 $14,522,000).

The Workforce Investment Act provides a structure for coordinating programs that are designed to help individuals escape poverty, achieve economic independence,and recover from job loss. Further, WIA provides a foundation for developing the skilled workforce that is critical to our long-term economic success. When Congress passed WIA, one of the key goals was to create a more integrated system that is flexible and responsive to the community needs. Through our one-stop WorkForce Center System in Minnesota, we have started to realize the benefits of working cooperatively across programs to deliver better services to both job seekers and employers within our communities. Without adequate funding, we will not be able to realize the vision of a seamless workforce development system that meets demands of both job seekers and employers.

Thank you for your efforts to secure additional funding for WIA programs. If the members of MWCA can be of further assistance, please contact Lee Helgen, MWCA Executive Director, at 651–224–3344.

Sincerely,

GORDON AANERUD,
Carlton County Commissioner, Chair,
Minnesota Workforce Council Association.

RURAL MINNESOTA CEP, INC.,
Detroit Lakes, MN, April 2, 2001.

Senator PAUL WELLSTONE,
U.S. Senate,
Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of rural counties and their residents, I am writing to urge you to support any amendment to the budget resolution that would increase funding for workforce investment act (WIA) programs.

WIA Dislocated Worker Programs: WIA programs are critical to the future economy of rural areas. In our 19 county service area, workers are being laid off from their jobs every day. Our unemployment rate is significantly higher than the state average. We need the resources to help these people get back on their feet so they can support their families and contribute to our local economy. A $200 million cut, as proposed in the President's budget, in dislocated worker programs will have a very negative impact on your constituents.

WIA Adult Programs: Our Nation is experiencing a skill shortage. Many more people could get high paying jobs if they had the right skills. Rural businesses have a tough enough time making their hard earned dollars stretch. Taking away funds that provide them with a skilled workforce is taking away any hope of their survival. If Congress cuts our training budget, we won't be able to provide your constituents with the skills training they need to get these better jobs. A $100 million cut in the adult training budget is going to make it very difficult for rural employers to be competitive.

We have helped rural people move from welfare dependency to financial independence. Our success includes moving people into good jobs with career potential and upward mobility. We will not be able to continue that if WIA program funds are slashed by $500 million from current levels, as proposed in the President's budget.

WIA Youth Programs: Many of our youth remain at risk. If Congress doesn't fund this program adequately, too many of our young people are going to be left behind. A $100 million cut in the youth employment program will surely cost tax payers increased expenditures in public assistance or juvenile offender costs. And then there is the long-term cost of a poorly prepared, inadequate workforce.

On behalf of employers, workers and future workers in my 19 country service area, I am asking you to support any efforts to increase budget authority for these Workforce Investment Act programs. Please remember this is not a partisan issue. It is an issue that deeply affects rural areas. Your support will assure that rural people will receive the kind of assistance that they need to succeed in the workplace.

Sincerely,

LARRY G. BUBOLTZ,
Director.

BOARD OF HENNEPIN COUNTY COMMISSIONERS,
Minneapolis, MN, April 3, 2001.

Hon. PAUL WELLSTONE,
U.S. Senate,
Washington, DC.

DEAR SENATOR WELLSTONE: I am sending you this note to urge you to support the Kennedy/Harkin amendment to the Budget Resolution to increasing funding for the Workforce Investment Act programs.

Here in Hennepin County, Minnesota, we have seen a decline in the JTPA and then the WIA funding from $1,688,652 in 1984 to $234,779 in 1999. As a county of over 1 million people, the $200,000 dollar funding level is not adequate to meet the needs of our constituents. In the area of dislocated workers, the recent downturn in economic conditions has resulted in daily notices of layoffs from companies in and around Hennepin County. One of our major companies, ADC a major supplier to the telecommunications industry, had an initial layoff of some 500 people and last week indicated additional layoffs of another 400–500 people. This is just one example of many that we are seeing in our community. In today's economy a skilled workforce in the cornerstone of economic growth and prosperity and we believe that the Workforce Investment Act allows us to respond to the needs of employers and allows our residents the opportunity for jobs that can support a family.

The outcomes for the Workforce Investment Act programs in our area are as follows:

Enrolled	238
Program terminations	194
Placed in jobs	164
Average wage at placement	$10.92
Cost per enrollment	$1,195.70
Cost per job placement	$2,735.23

As you can see from the data, this program is cost effective, driven by performance standards and performs beyond the expectations set by Congress and the Department of Labor.

Again, I urge you to vote for the amendment at $1 billion per year over the next ten years.

Sincerely

PETER MCLAUGHLIN,
Commissioner.

Mr. ALLARD. Mr. President I rise today to join my colleagues in the important dialogue surrounding the budget resolution. As has been well documented this week, the Bush-Domenici Resolution before this body is a close approximation of the President's Budget Blueprint for New Beginnings. As member of the Senate Budget Committee I have been studying this document for a number of weeks. I am convinced that this Budget represents a commitment to tax cuts, the repayment of the Debt Owed to the Public, and sensible reform.

Many of our priorities in Colorado are not radically different from those of Americans all over this vast country. We are concerned with education, the solvency of Social Security and Medicare, the strengthening of our national defense, and the protection of our wonderful natural resources and environment. The President has also addressed one of the most pressing needs for our soldiers, providing funding to improve the quality of life for our troops and their families. I am pleased to say that I believe President Bush has addressed these national priorities in a direct and sensible way while also speaking to the unique needs of Colorado.

The budget blueprint proposed by President bush makes an historic attack on the debt owed to the American people. If we have the courage to pass this budget we will begin the fastest and largest debt reduction in history. Lower government debt means greater fiscal security for large government programs such as Social Security and lower interest rates on Coloradans who purchase homes, automobiles, and use credit cards. Most importantly, future generations will not beard the burden of our past fiscal irresponsibility. My grandchildren are seventh generation Coloradans, and I am dedicated to leaving them a brighter fiscal outlook than we have before us today.

Fair tax relief for all taxpayers is a clear priority in the Budget Resolution. In recent weeks there have been numerous assaults against the tax cuts provided for in this legislation. In January, addressing the Senate Budget Committee, Federal Reserve Chairman Alan Greenspan described this tax cut as moderate. In the scope of a $5.6 trillion federal surplus over the next ten years I find it laughable that there are members of this body who claim this tax cut is unaffordable. In Colorado the

tax cut results in $1,600 of tax relief for a typical tax paying family of four. A Colorado family of four making thirty-five thousand dollars a year will receive a one-hundred percent federal income tax cut. Families making fifty thousand dollars will receive a fifty percent tax cut. More than one-and-a-half million Colorado taxpayers will benefit from the new, lowered rate structure, as will 329,000 Colorado small businesses and entrepreneurs.

The President's Budget also locks away every penny of the $2.6 trillion Social Security surplus, an important step in preparing to address the much needed reform of Social Security in the coming years. The budget likewise directs every dollar of Medicare receipts be spent solely for Medicare expenditures, including a modern and fiscally responsible prescription drug program for the senior citizens of Colorado and the nation.

The proposal before us dedicates the largest percentage spending increase of any federal department to the Department of Education, an increase of 11.5 percent. Further, the resolution before us will triple funding for children's reading programs. Colorado's education funding will increase over current levels to more than $461 million to give local schools more options and opportunities. Colorado's Head Start funding will increase over current levels to more than $63.9 million. This is truly an enormous fiscal commitment to the children of Colorado. I would be remiss not to note, I am encouraged to see increased funding over current levels to more than $21 million to help more Colorado children awaiting adoption find homes faster.

The Budget Resolution also fully funds the Land and Water Conservation Fund and gives the Environmental Protection Agency its second highest operating budget ever. In Colorado the budget provides more than $6.6 million in funding for water resource projects, $32.8 million to fund Colorado environmental protection efforts, and over $8 million to help conserve Colorado's natural resources. As anyone who has visited my home state in recent months knows, transportation capacity is also an issue, and one this budget addresses. An estimated $334.8 million will go to Colorado highway funding.

Recognizing the long-term social benefits of accessible health services and medical research the Bush-Domenici Resolution continues our pledge to double funding for the National Institutes of Health and creates more than 1,200 new community health centers nationwide. The budget further provides $391 million for programs and grants to help local fire departments and emergency services all across America with training, equipment and life-saving efforts.

I am pleased to support the Bush-Domenici Resolution and I look forward to working with my colleagues this year as we appropriate the funds as outlined in this budget.

Mr. KERRY. Mr. President, I rise today to speak on the budget resolution as well as an amendment I am offering which concerns the tax cut portion of the resolution.

This week's debate is quite likely the most important debate in this body we have had, and will have, for several years. What we have before us is a budget blueprint that would completely reverse the direction of the United States federal government budget, a 180 degree change from budget policies we have pursued over the last eight years. What the Majority is offering is a repudiation of the fiscal discipline of the 1990s and a return to the bold tax-cutting era of the 1980s.

And why not? The Congressional Budget Office projects surpluses as far as the eye can see. Ten years from now, in 2011, they project a unified budget surplus of nearly 900 billion dollars. Social Security and Medicare, for at least several years, are on firm footing. Let's get this surplus money out of town, they say, before Washington bureaucrats have an opportunity to throw it down the drain.

It's a strong argument, it sounds good in TV ads and Sunday morning talk shows. The American people should decide how their money is spent, not Washington politicians detached and removed from Mainstreet, USA.

But the reality is quite different. The American people are not so easily deceived. Thanks to a previous Administration that demonstrated the benefits for everyone of turning around government deficits, taxpayers understand and appreciate the undeniable advantages of fiscal discipline. That is why when one puts before the public the following question, should the government send the surplus back in a tax cut or divide the surplus equally between debt reduction, tax relief, and priority investments, the second option, the prudent and reasonable option, always wins.

So let's take a close look at the two options we have before us. This debate should not be about sound bites. It is far too important.

The two options are the Democratic-favored balanced budget approach based on principles of fairness, reasonable tax relief, and fiscal discipline or the Republican-favored approach of risky, back-loaded tax cuts dependent on surpluses which may or may not appear. Is this Democratic approach, as the able senior Senator from Texas calls it, just an excuse not to support a tax cut? Far from it.

For the last 8 years, fiscal discipline has meant turning around 300 billion dollar deficits into 200 billion plus surpluses. And what is a surplus, it is savings. It means the government is a net saver instead of a net debtor. It means that the federal government is buying back outstanding Treasury bonds from the public. The public turns around and invests that money elsewhere. In effect, every dollar of paid-down debt frees up a dollar for the public to invest in the private sector, the engine of growth.

With the government acting as a net saver rather than a debtor, inflation is held in check and interest rates come down. The benefits to the American people are real. Auto loan rates are lower. Home mortgage rates are lower. Businesses have access to credit for investments, leading them to hire more workers and keeping unemployment down. As everyone from Greenspan to Rubin to Summers have recognized, it is a virtuous cycle.

So what we have before us today is an effort to reverse that cycle, an effort to revert to another era, a prior era. We have been down that road. Is that the direction we want to steer the country?

In the real world, a business would never write a check that it was not sure it could pay. But that is exactly what Republicans want to do with the biggest check of all. Let's write the check now and hope that when it comes due, there will be enough money in the bank to pay for it. Would any self-respecting businessman manage his company in such a fashion? The answer is no.

The reality is that most of the Republican tax cut would not even take effect for several years, many provisions are so far into the future that they won't show up in any IRS form you file for nine or ten years. Building an estate? Great. I just hope you don't have the misfortune to pass away before 2011 because that is the year they repeal the estate tax.

Can we really afford the check they are writing? That is the $64,000 question. Economic and budget forecasting is somewhat like a weather forecast, the further you go into the future and the more long-range the forecast, the less likely it is to prove accurate.

What we do know is that if productivity levels drop to their historical average, rather than staying at the levels they reached in the last few years, the surplus could fall by as much as $2 trillion.

And 84 percent of the surplus comes after the next presidential election. Or put another way, two-thirds of the surplus comes in the second five years of the 10-year projection.

But we need to pass a tax cut today to keep from spending the money. Last time I checked there were no spending proposals on the table that postpone their effective dates for 5 years. In the same way, we shouldn't be passing tax cuts that don't take effect for another 5 years. Let's pass a short-term tax cut, and if the money comes in like the rosy forecasts indicate, we can extend it when the date arrives.

I want to address some specific aspects of this budget before us. Back in February, we held a special joint session to hear our new President's priorities for the future. President Bush stated, ''Education is my top priority and, by supporting this budget, you'll

make it yours, as well.'' The truth rests in the numbers. The Bush budget includes 40 dollars in tax cuts for every one dollar increase in education.

This budget resolution makes clear that President Bush's tax cut proposal is a higher priority than addressing key priorities, such as education and child care and that his enormous tax cut crowds out significant investments in education.

Yesterday this body made significant strides toward increasing the budget numbers for education by reducing the tax cut. I am thrilled that the Senate voted to increase funding for important education priorities by $250 billion over 10 years. The majority leader has expressed his intention to attempt to overturn that vote later this week. I sincerely hope that that does not occur. The President's budget does not include a sufficient investment in public education. The amendment passed yesterday brings us much closer to the investment that we must make in public education in order to ensure each child has access to a first-rate education.

Despite the President's claims, education funding in his budget does not keep pace with previous congressional funding increases for education. The President says that he is requesting an increase of $4.6 billion for education, and he takes great pride in claiming a 11.5 percent funding increase over the last fiscal year. But the President's outline includes only a 5.9 percent increase at the program level. To put that in plain English, almost half of the increase that Bush is touting as his major investment in education would happen even if the budget didn't pass and the appropriations process did not occur.

About $2 billion of Bush's funding increase for his so-called ''top priority'' was forward-funded last year. So the actual increase in new spending that Bush is proposing is only about $2.5 billion. That is one-third the average rate of increase in education spending over the past four years, after adjusting for inflation. Here is the area that the President has identified as his highest priority, education, and it would have its recent rate of growth reduced by two-thirds.

We don't know yet exactly which education programs Bush will increase funding for, because none of us have seen the details of Bush's budget. But he has said that he plans to provide funding for his reading first initiative, increase funding for special education, increase the maximum level of Pell Grants, increase funding for improving teacher quality, and provide more funding for character education. All of these are laudable goals and funding increases that I wholeheartedly support. But what about Title I funding? Does the President propose to increase funding for the most disadvantaged students? And what about after-school programs and making our schools safe? What about more funding for education technology? In the last administration, we accomplished the amazing feat of connecting every school to the Internet. But will this President help schools to incorporate technology into the curriculum? We just don't know, and by math there won't be enough money for these priorities after this massive tax cut. That is why it is so critically important that the Harkin amendment not be overturned and the tax cut be decreased in order to pay for these important initiatives.

One critically important initiative that we know the President's budget will not make a priority is school renovation and construction. There is overwhelming need for school construction funding. Three-quarters of our schools are in need of repairs, renovation, or modernization. More than one-third of schools rely on portable classrooms, such as trailers, many of which lack heat or air conditioning. Twenty percent of public schools report unsafe conditions, such as failing fire alarms or electric problems. At the same time our schools are aging, the number of students is growing, up nine percent since 1990. The Department of Education estimates that 2,400 new schools will be needed by 2003. Last month the American Society of Civil Engineers released their ''2001 Report Card for America's Infrastructure,'' which grades the condition of the nation's schools, drinking water, wastewater, transportation needs and so forth. Of all the categories included in the report, schools received the lowest mark, a D−. Despite these facts, despite the desperate need for repair and renovation, the Bush budget provides only a modest investment in school construction and only allows for the use of private activity bonds for schools, a mechanism that requires a major corporate sponsor to finance a school, which would help only a few communities that are struggling to meet growing enrollments or upgrade their crumbling schools.

As many of my colleagues have already mentioned, there was a very disturbing report in the New York Times several weeks ago about the anticipated cuts to critical children's programs. I am extremely distressed by this news. The President's singular focus on cutting taxes undermines critical programs like child care, early learning funding, child abuse treatment and prevention. The President plans to cut, not just slow the rate of spending, $200 million from the Child Care and Development Fund. I would like to point out that there is a waiting list of more than 16,000 children in Massachusetts who await the opportunity to receive quality child care through this fund.

I cannot figure out what has motivated the President to zero out the Early Learning Opportunities Act. This legislation, sponsored by Senator STEVENS, passed the Congress last year with bipartisan support. President Bush believes strongly in literacy. And we all know that children who begin school lacking the ability to recognize letters, numbers, and shapes quickly fall behind their peers. Students who reach the first grade without having had the opportunity to develop cognitive or language comprehension skills begin school at a disadvantage. Children who have not had the chance to develop social and emotional skills do not begin school ready to learn. I'm sure that President Bush knows these things. So why would he cut funding for the Early Learning Opportunities Act, which seeks to bring together state and local resources to ensure that children begin school ready to learn?

I guarantee you this, if you ask the American people whether they would prefer this enormous tax cut at the expense of funding for child care, child abuse prevention and treatment, and funding for early learning programs, they will unequivocally tell you that they want those programs strengthened and enhanced, not decimated, or in the case of the Early Learning Opportunities Act, zeroed out. It's certainly clear that children are not the President's top priority, his enormous tax cut is. We voted yesterday to support those programs that we know the American people care about. We must hold strong and resist attempts to undermine the funding commitment for these important programs.

As we all know, the real details of the Bush budget are still locked up somewhere in the White House. The President wants Congress to leave town before those numbers are released. And well he should, because those numbers are going to show what we have all known for some time. Compassionate conservatism is code language for cuts in children's programs, health care, the environment and other national priorities.

While we have not yet received the real Bush budget, what we are learning through confirmed accounts is that the budget will: cut child care grants by $200 million, cut child abuse programs by $16 million, and would entirely eliminate the $20 million ''early learning'' fund for child care and education for children under the age of 5 which is based on legislation I wrote.

Cut funding for training health care providers in medically underserved areas by nearly $100 million.

Cut the Office of Minority Health by 12 percent.

Cut training for doctors at children's hospitals.

Eliminate the COPS, or Community Policy Services Program.

The list goes on. Someone will have to explain to me how cutting child care grants and child abuse programs is compassionate because I just don't see it.

Let's take a couple minutes to look at the President's research and development agenda.

Unfortunately, the President's budget plan will do serious damage to funding available for scientific R&D. Experts agree that over the past 50 years,

advances in science and technology have contributed to half our nation's economic growth. It's true that investments in R&D tend to pay off only in the long term. For instance, much of the growth we enjoyed in the 90s stemmed from investments the federal government made in science in the 1960s. The ubiquitous computer which is so critical to our productivity today would not be available to us if serious research had not begun decades ago. But, this budget fails to look to the long term, and by failing to adequately provide for investment in science and technology, will slow economic growth and leave our children and our grandchildren with far fewer opportunities than we had just a few short years ago.

Instead of increasing the growth of science and technology, the President's budget proposal ignores the R&D needs of the nation. Although the Administration has indicated support for a $2.8 billion increase in the National Institutes of Health budget for FY 2002, many other research initiatives will not receive the funding levels they need. The President's budget proposal for next year projects that non-defense R&D will decline by 7.8 percent adjusted for inflation, by fiscal year 2005. This is more than five times faster than the decline in total federal spending. After accounting for inflation, the Bush budget cuts the National Science Foundation by 2.6 percent, NASA by 3.6 percent and the Department of Energy by 7.1 percent. In the end, under the Bush budget federal support for science will decrease by 6 percent by 2005 as a share of the Gross Domestic Product. This is contrary to the commitment we should be making to innovation and entrepreneurship.

This budget's approach to science and technology research is short-sighted and irresponsible. But don't take my word for it. Take the word of the science and technology advisor to the first President Bush. Allan Bromley, a nuclear physics professor at Yale, recently wrote an editorial that was published in the New York Times in which he expressed his concern about the impact the President's R&D cuts will have on the economy. He succinctly stated:

> The proposed cuts to scientific research are a self-defeating policy. Congress must increase the federal investment in science. No science, no surplus. It's that simple.

So we have a budget blueprint before us that essentially rubberstamps a Presidential budget which we have yet to see, but that we are slowly learning, through leaks, will substantially cut a number of priorities that many of my Colleagues and the nation share.

Now, I would like to take some time to discuss the President's tax plan and an amendment I am offering. We hear so much talk about how the President's tax plan provides the largest percentage reductions to low and middle-income families. Mr. President, it's just not true. The reality is that the President's tax cut would leave out 28 million taxpayers, taxpayers who see 15.3 percent of every paycheck go directly to the taxman. I'm talking about people who pay payroll taxes.

For all taxpaying families, the average annual payroll tax burden is over $5,000. The average payroll tax payment has risen from $3,640 in 1979 to $5,010 in 1999. For the vast majority of taxpayers, payroll taxes, Social Security and Medicare, generate the largest tax burden.

Federal payroll taxes actually exceed federal income taxes for 80 percent of all families and individuals with earnings. For single-parent families, the number is even more alarming. Today, 95 percent of single-parent households pay more in payroll taxes than income taxes.

According to the National Women's Law Center, over 3 million women raising children as a single parent, or 36 percent of all single mothers and their families, will receive no tax benefit from the Bush plan. Likewise, almost half of the black and Hispanic women raising children as a single parent would not benefit a one penny.

These taxpayers lose out because the President's tax plan focuses only on marginal income tax rates. The House has made some small steps to address this issue, but more needs to be done if we are going to pass a balanced and fair tax bill.

My amendment would require that any substantial tax relief legislation, 500 billion or greater, which comes to the floor of the Senate this year include a certification by the Senate Finance Committee that it provides significant relief for the 28 million taxpayers who pay payroll taxes but who do not have sufficient earnings to generate income tax liability. Tax legislation which did not include a certification by the Senate Finance Committee, or conferees in the case of a tax bill conference report, would be subject to a 60-vote point of order.

This amendment is a small step we need to take to ensure that as the Senate develops tax legislation, it maintains a commitment to providing REAL relief to all taxpayers, not a selected few. I can not imagine why anyone would oppose such a reasonable amendment. Clearly, any large tax bill should hold dearly the interests of all working families and I urge my colleagues to support it.

Mr. LEAHY. Mr. President, I must oppose this budget because it is an irresponsible gamble with our economic future.

This resolution sets aside trillions of projected budget surpluses for tax cuts proposed by President Bush that are steeply tilted to the wealthy. It pays for the Bush tax plan at the expense of needed investments in Social Security, Medicare, education, law enforcement and the environment. In addition, the cost of the Bush tax plan imperils our ability to pay off the national debt so that this nation can finally be debt free by the end of the decade.

We should remember that the nation still carries the burden of a national debt of $3.4 trillion. Like someone who had finally paid off his or her credit card balance but still has a home mortgage, the federal government has finally balanced its annual budget, but we still have a national debt to pay off. In the meantime, the Federal government has to pay almost $900 million in interest every working day on this national debt.

Paying off our national debt will help to sustain our sound economy by keeping interest rates low. Vermonters gain ground with lower mortgage costs, car payments and credit card charges with low interest rates. In addition, small business owners in Vermont can invest, expand and create jobs with low interest rates.

I want to leave a legacy for our children and grandchildren of a debt-free nation by 2010. We can achieve that legacy if the Congress maintains its fiscal discipline. But this budget resolution tosses out fiscal responsibility for voodoo economics. It is based on a house of cards made up of rosy budget scenarios for the next ten years. Any downturn in the economy, are of which we are now beginning to experience, threatens to topple this house of cards.

The $5.6 trillion surplus that President Bush and others are counting on to pay for huge tax cuts tilted toward the wealthiest one percent is based on mere projections over the next decade. It is not real. Many in Congress have been talking about the $5.6 trillion surplus as if it is already money in the United States Treasury. It is not.

Let us take a close look at this $5.6 trillion. When you subtract the portion of the projected surplus that is expected to come from Social Security, we are left with $3.1 trillion over ten years. When you set the Medicare surpluses to the side, and use more realistic assumptions about taxes and spending over the next several years, that reduces the available surplus to $2.0 trillion. Under this scenario, the President's proposed tax cut of $1.6 trillion therefore has the potential to wipe out the entire surplus in one fell swoop. And that's IF the budget surplus projections are accurate.

While none of us hope that the budget surpluses are lower than we expect, to be responsible we need to understand that this is a real possibility. In its budget and economic outlook released on January 1st, CBO devotes an entire chapter to the uncertainty of budget projections. CBO says that ''considerable uncertainty surrounds those projections.'' This is because CBO cannot predict what legislation Congress might pass that would alter federal spending and revenues. In addition, CBO says—and anyone who watched the volatility of our markets over the past few weeks knows—that the U.S. economy and federal budget are highly complex and are affected by many factors that are difficult to predict.

In their economic outlook CBO warns Congress that there is only a 10 percent chance that the surpluses will materialize as projected. When CBO takes its own track record on forecasting surpluses, they caution that the projected surpluses over the next five years may be off in one direction or the other, on average, by about $52 billion in 2001, $120 billion in 2002, and $412 billion in 2006. Remember, that data is only for five-year projections. CBO has been making 10-year projections for less than a decade, so they admit it is not yet possible to assess their accuracy. But 10-year projections are likely to be even less accurate than five-year projections.

For 2001 alone, there is considerable uncertainty about the size of the budget surplus. In January, CBO estimated that the total surplus in 2001 would reach $281 billion. Earlier in this month, however, Merrill Lynch dropped its estimate to $250 billion. Wells Capital Management, an arm of Wells Fargo, estimates a $225 billion surplus this year and a $185 billion surplus next year, 40 percent lower than the CBO's estimate for 2002.

With all of this uncertainty in projecting future surpluses, it is amazing to me that the budget resolution insists on a fixed $1.2 trillion in tax cut. And the tax cuts proposed by President Bush may cost much more than $1.6 trillion over the next 10 years.

Let us take a closer look at these proposed tax cuts.

The President's tax plan, by focusing only on income tax rate reductions, leaves out millions of taxpayers who do not pay federal income taxes but who do pay payroll taxes. In Vermont, there are 23,000 families who do not pay federal income taxes. But 82 percent of those families do pay payroll taxes. For the vast majority of taxpayers, payroll taxes generate the largest tax burden, and yet the President's plan does not touch payroll taxes.

With all of the uncertainty in these projections, Congress should tread very carefully when considering the size of the tax cut. While rosy surplus projections may have been accurate yesterday, we need to pay attention to circumstances today. Even Goldilocks could tell you that porridge that's just right one day, may be too cold a few days later. Congress needs to recognize that the surplus projections are not set in stone, that it is not only possible, but even likely that the projections will change and that the surpluses themselves will differ from those projections.

I was one of five Senators who are still in the Senate who voted against the Reagan tax plan in 1981. We saw what happened there—we had a huge tax cut, defense spending increased, and the national debt quadrupled.

I am concerned about enacting a huge tax cut before fulfilling our current unfunded federal mandates. The President's budget outline proposed up to a 30 percent cut in grants to state an local law enforcement. I've written a letter to the President and the Department of Justice, along with 17 other Senators, opposing those cuts. I am pleased that my amendment restoring $1.5 billion to fully fund the Department of Justice's local law enforcement programs was accepted.

I supported an amendment to increase funding for private lands agriculture conservation programs by $1.3 billion for Fiscal Year 2002, including the Farmland Protection Program and EQIP—the Environmental Quality Incentives Program. I know there is a need for five to ten times this amount for these programs.

I supported several education amendments. These included amendments to increase the Pell Grant for student financial aid and increased support for the TRIO program, a successful initiative that provides support to first generation college students, particularly those from rural areas. However, the current budget proposal does not commit sufficient funds in this area. I was pleased to join my colleague from Vermont, Senator JEFFORDS, in an effort to fully fund the federal government's portion of IDEA costs.

The President's budget proposes a $1 billion increase in discretionary veterans health spending. Such a meager increase barely covers inflation in the Department of Veterans Affairs' current programs, let alone provides the department flexibility to increase the availability and quality of care. I am also concerned that this budget squeezes this money out of critical veterans health research programs, leaving investigations into spinal injuries and war wounds at inadequate levels.

After years of hard choices, we have balanced the budget and started building surpluses. Now we must make responsible choices for the future. Our top four priorities should be paying off the national debt, passing a fair and responsible tax cut, saving Social Security, and creating a real Medicare prescription drug benefit.

Mr. CRAIG. Mr. President, I rise in support of final passage of the budget resolution and to declare victory.

Today, all Americans who believe in fiscal responsibility, budget, a sound economy, and fair treatment for taxpayers, can declare victory. All of us who want a government that restrains its appetites and lives within its means, while meeting critical national needs, and letting hard-working individuals and families keep a little more of the fruits of their labor, can declare victory.

Today we are approving a budget that is balanced, not only because it is in surplus, but balanced in how it would allocate the resources provided by the American people.

Today we are approving a budget plan that, if we follow it, will: first and foremost, pay off all the publicly held debt that possibly can be paid off in the next ten years; hold the line on the growth of federal spending and the size of government; fully protect Social Security and Medicare for today's and tomorrow's seniors, and begin the process of modernizing them, to make them ready for today's workers; answer the demands of the American people to take action on major needs in areas like education, medical research, national defense, care for our veterans, the environment, and prescription drugs; and provide modest, reasonable, and prompt tax relief to the most heavily taxed generation in American history.

Could we have produced a better budget this week? Of course we could. But I will never let the perfect be the enemy of the very, very good.

The Senate has added several billion dollars in new spending to this budget. I wish we could have done that without raiding the surplus or collecting more taxes. I wish we could have addressed priorities within the reasonable total, the increased total, proposed by the President.

But we have wisely turned down amendments for hundreds of billions of dollars in new spending, and we have stuck fairly closely to the responsible plan we and the President started with.

And whether, at the end of the year, we enact ten-year tax relief totaling $1.2 trillion, $1.6 trillion as proposed by the President, or $2 trillion, which this Senator thinks is closer to the right amount, we will have won, commonsense conservatism will have won, and the American people will have won.

To fully appreciate where we are, we need to remember where we have been.

When I first came to Congress, in the other body, I plunged into fighting for a balanced federal budget. The jaded political veterans told me, You will never see it in your lifetime. The problem was so intractable, we formed a bipartisan coalition to push for a balanced budget amendment to the Constitution.

Eight short years ago, the experts told us we faced $300 billion budget deficits as far as the eye could see. The previous president said balancing the budget was a bad idea, and he pushed through the biggest tax increase in history to pay for more and more spending. By 1994, that tax hike, along with the Clinton health care plan to nationalize one-seventh of the economy, produced the first Republican Congress in 40 years.

Observant students of history and those with good memories will recall that the economy was limping and anemic during 1993 and 1994. That new Congress took office declaring that Job One was balancing the budget, so we could produce surpluses that would save Social Security and Medicare, pay down the debt, and provide tax relief. The real upturn, the acceleration of the markets and confidence in the economy, began when we made this commitment to responsible, limited government.

The economy received a booster shot with the bipartisan Taxpayer Relief

Act of 1997. In that bill, we cut capital gains taxes, which further unleashed the economic activity that is producing today's surpluses.

Now, with a slowing economy, the time has come, again, for a booster shot. Today's budget resolution, with spending restraint, tax relief, and paying down the debt, is that booster shot.

It is positive that, this week, we have voted to accelerate tax relief. American workers and their families needed tax relief yesterday, relief from the death tax, from the marriage penalty, and to help meet education and other family needs.

We've heard a lot of revisionist history this week, with Senators criticizing President Reagan's 1981 tax relief package. The single biggest mistake Congress made in revising President Reagan's plan was in not starting is soon enough. The economic recovery of 1982 began, the boom of the 1980s began, when President Reagan's tax plan finally took effect. If we really can learn from the mistakes of the past, we should learn that prompt tax relief keeps the nation healthy.

It's also a positive sign for prompt tax relief that the Senate has agreed to keep the tax relief in this budget free from filibusters later in the year.

This is a budget that will keep the nation healthy, if we continue to follow through on it. It is the Senate's budget, and we have made adjustments throughout the week. But make no mistake about it, when you look at all of it, it is still mostly the President's budget, too.

I also want to comment on a couple specifics in this budget.

As a member of the Senate Veterans' Affairs Committee, I am always watchful of how the Congress and the Administration propose to treat our nation's veterans. This President's budget began with a $1 billion increase in discretionary veterans programs and a $4 billion increase, overall—more than 8 percent. Without a doubt, this president has a higher level of commitment to the well-being of veterans than we saw in the previous administration.

The House-passed budget added to that amount and now, so has the Senate. Spending per veteran, not overall, but per veteran, accounting for increased caseload, will be about 50 percent more than in 1995.

The Veterans Administration (VA) represents millions of men and women who have served our great nation, often at extreme sacrifice. Therefore, in gratitude it is important that we insure that our veterans receive the care and services they were promised and most certainly deserve. Over the past years, since I have been a member of the Senate Committee on Veterans' Affairs, there has been a steady increase in spending per veteran. In 1995, VA spending was $1,465 per veteran. In 2002, the Senate committee on Veterans' Affairs recommends spending $2,228 per veteran. That is a 52 percent increase since 1995.

I also commend my Idaho colleague, Senator CRAPO, for the amendment adopted last night by the Senate, to safeguard necessary funding for the Department of Energy's Atomic Energy Defense Account. This is needed to continue progress in waste treatment and management, site maintenance and closure, environmental restoration, and technology development, while meeting its legally binding compliance commitments to the states. This is of vital interest in our home state of Idaho, home of the Idaho National Engineering and Environmental Laboratory, to similar sites in other states, and to the environmental safety and well-being of the nation. I was pleased to cosponsor and support the bipartisan Crapo-Murray-Craig amendment.

I now look forward to resolving the differences between the Senate-passed budget and the House's version and working in the coming months on the legislation necessary to implement this budget. We have made a good start and today is a good day to declare victory for the American people.

Mr. CHAFEE. Mr. President, I rise to express my support of the budget resolution we approved today. This was a long and arduous process, but I am pleased that at the end of the day we have a document that both Republicans and Democrats can embrace.

I also extend my deep appreciation and admiration to Budget Chairman Domenici for doing his usual outstanding job of overseeing the Senate's consideration of the federal budget.

This weeks' debate was about how best to allocate the apparent budget surplus that our nation is beginning to achieve. I appreciate President Bush's leadership in calling for a part of our surplus to be returned to the taxpayers.

While all Americans may desire a tax cut, I believe it is also true that all Americans would like Congress to continue its prudent course of balanced budgets. I am concerned that a tax cut of $1.6 trillion over ten years would seriously impair our ability to maintain a balanced budget, while meeting the necessary priorities of debt reduction, infrastructure development, improvement in health and education, and Social Security and Medicare reform.

I was pleased to work within the Centrist Coalition, a bipartisan group of Senators, to fashion a compromise tax cut. I am very thankful for the friendship and leadership in particular of Senators JOHN BREAUX, JIM JEFFORDS, and BEN NELSON. I believe that we have helped the Senate come to a compromise, and am proud to have joined a group of such thoughtful and constructive people.

I am not without my reservations about the compromise tax cut of $1.2 trillion over ten years that we have approved today. It is still large for my preference, but I recognize that in order to work in a bipartisan manner one must be able to compromise in a principled manner. I believe that that is what we have accomplished here, and that belief is borne out by the fact that 65 Senators supported the final budget, which included the compromise tax cut.

Beyond the tax cut, the Senate has made its mark on this budget. Senator DOMENICI brought to the floor a budget that closely reflected the President's priorities. We took up amendment after amendment, considered each by its merits, and dispensed with them. These amendments reflected our priorities in several areas. We can see those priorities in the document that we now send to the House and Senate conferees to negotiate. We see a doubling of the money set aside for prescription drugs, to $300 billion over ten years. We see $320 billion set aside for education, which includes enough money to fully fund the Individuals with Disabilities Education Act. As a former Mayor who has had to budget for the costs of providing the best service for these special children, it was a particular priority of mine to have the federal government pay its fair share. We see increased money for defense, for veterans, and for farmers. We see the work on environmental issues, including funding for conservation and global warming. And, we see the work on urgent health matters, including increased health care coverage for the uninsured. And, of great importance to those of us in the Northeast, we see an increase of energy funds for our low-income citizens.

This is a good budget. It is perhaps not perfect, but it shows the benefit of having a strong President providing leadership in stating his priorities, and the value of centrist leadership in Congress to win wider acceptance of the President's proposals.

Mr. LEVIN. Mr. President, the Senate has begun debating the Federal budget for next year and the years ahead. We are fortunate after years of large budget deficits, to finally enjoy a projected budget surplus, a real surplus separate and apart from the Social Security surplus. While this new ''on-budget'' surplus provides us with many possibilities, it also requires us to balance how best to use our resources within a framework of fiscal responsibility. If we choose the wrong path we could return to the days of big Federal deficits and all the damage they did to our economy.

In approaching our Federal budget, I believe we should divide the projected surplus among four budget goals: giving the American people fair and fiscally responsible tax relief, paying down the debt, protecting Social Security and Medicare, and responsibly investing in key priorities such as education, prescription drug coverage for seniors, environmental protection and national defense.

In deciding how to allocate the new surplus, we should first and foremost remember it is a projection for ten years downstream, so it is highly speculative. In fact, the Congressional Budget Office, CBO, cautions legislators that there is only a 10 percent

likelihood that its ten-year projection will prove accurate. This is especially troublesome because most of the surplus, upon which the President's tax cuts rely, is not projected to accrue until after 2005, the most unreliable years of the forecast. History has shown that CBO projections only 5 years in to the future have been off by as much as 268 percent.

Understanding that these projections are uncertain, here's what I think should be done with surplus dollars that actually materialize:

First, I would protect the Social Security and Medicare trust funds. We have to take prudent steps today to ensure that as 77 million baby boomers retire over the next 30 years, the costs of their Social Security and Medicare won't explode the Federal budget. In just 15 years, the Social Security and Medicare programs will require transfers from the ''non-Social Security and non-Medicare'' side of the Federal budget in order to pay benefits. Without reform, these transfers will get larger and larger, placing enormous pressure on the federal budget—pressure that would be compounded if President Bush's proposed tax cuts were enacted. Thus I think it is imperative to set aside the surpluses that are currently accumulating in these trust funds and not use them for new spending or tax cuts—as the President's budget proposes to do.

Next, I would allocate one-third of the projected $2.5 trillion non-Social Security, non-Medicare surplus for tax cuts. We have proposed an immediate stimulus tax cut package that could provide taxpayers with up to $450 of relief this year, $900 for married couples filing jointly. The first part of the package would to give a one-time tax refund to everyone who paid payroll or income taxes last year, in 2000. Couples would get a check for $600 and singles would get a check for $300 as early as July, if the provision were enacted now. The second part of the package would permanently cut the 15 percent income tax rate to 10 percent for the first $12,000 of taxable income for couples and the first $6,000 of taxable income for singles. This would save couples an additional $600 per year and singles an additional $300 per year and, if enacted soon, the decrease in paycheck withholding could begin in July. This package is a truly broad-based relief measure aimed at stimulating the economy.

We also should increase the Earned Income Tax Credit for working families with children, substantial marriage penalty relief, and the amount of money exempt from estate taxes, so that less than one percent of the country's wealthiest estates would remain on the tax roll. Under this approach, all American taxpayers would get a tax cut, but the lion's share would go to middle income Americans, that is to those who need it most.

President Bush's plan mostly benefits the wealthiest among us. Under his plan, 5 percent of taxpayers would get more than 50 percent of the benefit. As a result, most of the surplus is used in tax cuts, leaving little or nothing for debt reduction and other important priorities.

While this top 5 percent would receive huge tax breaks under the President's plan, it leaves 25 million taxpaying Americans, who pay their Federal taxes through payroll taxes, without a single dollar of tax relief. I agreed with President Bush when he said that every American taxpayer should receive tax relief. But his plan, which leaves out 25 million people, falls far short of that goal and leaves out those taxpayers who need relief the most.

In addition to providing tax relief, we need to dedicate a large portion of the surplus to reducing our debt so that we don't push this immense burden onto our children and grandchildren. For the first time in a generation, we have the opportunity and the resources to pay down the enormous debt and we should do so. Additionally, by paying down the debt, we can help keep interest rates low well into the future giving all Americans an economic benefit.

Our plan calls for dedicating one-third of the non-Social Security, non-Medicare surplus to reducing the $3 trillion plus portion of our national debt that is outstanding and held by domestic and foreign investors. In contrast, the President's budget does not use any of the projected non-Social security, non-Medicare surplus for debt reduction.

Finally, we need to invest some of our surplus responsibly in new initiatives and important benefits, like prescription drug coverage for seniors and education programs for our students. Using one-third of our non-Social Security, non-Medicare surplus to meet the basic life-sustaining needs of our seniors, to build a smarter 21st century workforce, and to prepare for other. unforeseen challenges, will pay huge dividends in the long run. President Bush's budget—focusing on tax cuts at the expense of everything else—leaves little room for new investments or unanticipated needs and actually makes drastic cuts to some very important federal programs which millions of Americans and the communities they live in count on.

The next chart compares the Democratic plan to President Bush's plan, showing how the Bush plan comes up short in key areas because of the size of the tax cut.

As budget debate continues in the weeks ahead, Congress will be making some important decisions regarding our country's future. We have the ability to provide targeted tax relief, fund some important national priorities and protect Social Security and Medicare for future generations, while dedicating significant resources to paying down the national debt. To achieve all of these goals, we need to act wisely today so that we strengthen our economy in the long run, not weaken it once again by risking a large Federal deficit with an excessive tax cut benefiting mostly those who need it least.

Mr. President, I ask unanimous consent to print the charts in the RECORD.

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

CHART 1

HISTORY OF UNRELIABILITY IN BUDGET PROJECTIONS: FIVE-YEAR PROJECTED V. ACTUAL SURPLUS OR DEFICIT

[Projected in 1985 for 1990, 1986 for 1991, etc. in billions of dollars]

	Projected	Actual	Difference	Percentage of error
1990	−167	−220	−53	31.7
1991	−109	−269	−160	146.8
1992	−85	−290	−205	241.2
1993	−129	−255	−126	97.7
1994	−130	−203	−73	56.2
1995	−128	−164	−36	28.1
1996	−178	−107	71	39.9
1997	−319	−22	297	93.1
1998	−180	−29	151	83.9
1999	−182	124	306	168.1
2000	−134	236	360	268.7

CHART 2

Tax relief for a family of four (2 parents, 2 kids) in 2002:

Income	Bush	Democratic alternative
$25,000	$0	$845
$50,000	320	525
$75,000	426	525
$200,000	1,676	525
$1,000,000	13,777	525

Total tax relief for a family of four (2 parents, 2 kids) during Bush's term (01–04):

Income	Bush	Democratic alternative
$25,000	$0	$2,535
$50,000	1,920	2,325
$75,000	2,344	2,325
$200,000	8,488	2,325
$1,000,000	66,461	2,325

Bush plan phases in all cuts over 10 years, so his cuts would get much larger from 2005–2010; Dem plan is fully phased in by 2003, except for estate tax relief.

Source: Senate Finance Committee, Democratic Staff; Democratic Policy Committee.

CHART 3

Budget cuts to non-protected agencies

Agency	*Percentage Cut*
Agriculture	−8.6
Commerce	−16.6
Energy	−6.8
HUD	−11.3
Interior	−7.0
Justice	−8.8
Labor	−7.4
Transportation	−15.0
Army Corps of Engineers	−16.9
EPA	−9.4
FEMA	−20.2
NASA	−1.1
Small Business Administration	−46.4

Numbers represent the Bush budget's percentage cut in budget authority for appropriated programs for FY2002 below the amount needed, according to CBO, to maintain purchasing power for current services.

CHART 4

DIFFERENCES IN USE OF $3 TRILLION PROJECTED 10-YEAR NON-SOCIAL SECURITY SURPLUS

	Democratic	Bush
Tax Cut	$833 billion	$2,500 billion [1]

DIFFERENCES IN USE OF $3 TRILLION PROJECTED 10-YEAR NON-SOCIAL SECURITY SURPLUS—Continued

	Democratic	Bush
Domestic Priorities—such as education & prescription drugs	$833 billion	$200 billion
Debt Reduction	$833 billion	0
"Contingencies"	0	$300 billion [2]
Protect Medicare "Lockbox"	$500 billion	0
Total Projected On-Budget Surplus	$3,000 billion ($3 trillion)	$3,000 billion ($3 trillion)
Raid on Social Security "Lockbox"	0	$600 billion

[1] Includes $1.7 trillion tax cut, $300 billion to fix the AMT effects of the tax cut, and $500 billion in increased interest costs on debt that would otherwise get retired.

[2] Bush Budget Blueprint designates $800 billion for a "contingency reserve."

Ms. CANTWELL. Mr. President, I rise today to discuss the budget before us and to outline a few points that I believe need to be considered while we debate our national budget priorities.

There is no doubt that the focus of much of this week has been on the perceived need for, and the size of, a tax cut. I support efforts to provide hard-working families in my home state of Washington, and across the country, with tax relief. I expect Congress to take up legislation to eliminate the marriage penalty, provide estate tax relief, make college tuition tax deductible, and assist workers in saving for their retirement. In addition, I believe that comprehensive tax reform proposals must expand the Dependent Care Tax Credit to help families provide care for their children and expand the Earned Income Tax Credit to make it work better for more hard-working families.

However, I am concerned that we balance our efforts to cut taxes with our nation's fiscal and policy responsibilities, and our obligation not to increase our national debt level. Comprehensive tax relief must be measured against the need to maintain fiscal discipline, and stimulate economic growth through continued federal investment in education, job training and infrastructure, while also protecting the environment. We also need to invest in our nation's economic future by making a commitment to public research and development in science and technology—maintaining our status as a global leader. And, it is critical that we meet the needs of the nation's elderly and enact a meaningful prescription drug benefit for Medicare beneficiaries.

Furthermore, we must realize that much of the debate on the shape and size of tax cuts is dependent on the reliability of surplus projections that may or may not materialize.

These are the numbers at issue this week: The projected unified surplus over the next ten years is supposed to be $5.6 trillion. But what we need to be discussing is not this amount—but the amount of the non-Social Security, non-Medicare surplus. And when we take both of those trust funds off the budget line, we are left with $2.7 trillion over ten years with which to work.

It is critical that the funding levels in our budget guarantee that Americans have access to needed health care. We also need to invest in our children's education by hiring more teachers, increasing teacher pay, providing enhanced training opportunities, and modernizing our educational system. And, we need to commit to programs that keep our citizens safe, and our environment clean.

We seem to be tripping over ourselves right now to spend a surplus—either on tax cuts or on increased discretionary spending—that, frankly, we are uncertain will even appear. As we all know, projections are notoriously inaccurate and, therefore, highly likely to be wrong even if they are only for the upcoming year. Based on its track record, the Congressional Budget Office says its surplus estimate for 2001 could be off in one direction or the other by $52 billion. By 2006, this figure could be off by $412 billion.

Remember that last year CBO projected that the ten-year surplus would be $3.2 trillion, $2.4 trillion less than the projection it released this past January. This means that in just one year the surplus estimate has increased by 75 percent.

In fact, CBO admits that it is most uncertain about projections for the years it forecasts the largest surpluses. CBO makes clear that $3.6 trillion of the $5.6 trillion unified surplus is open to question.

Besides debating surpluses that may or may not materialize, this budget process is the first step in outlining our nation's fiscal priorities for the upcoming year. However, we must not forget that in addition to figuring ways to fund our political priorities, it is our duty to focus on meeting our national responsibilities.

And this is where my concern rests with the President's budget. I believe that Congress can enact reasonable and responsible tax relief while fulfilling our nation's responsibilities.

But it seems that the President is funding a $2.0 trillion tax cut at the expense of other programs. A tax cut this large would use 81 percent of the non-Social Security, non-Medicare surplus over the next 10 years, leaving the President and Congress $527 billion, or just 20 percent of the on-budget surpluses to address critical priorities such as additional debt reduction, expanding educational opportunities, providing a prescription drug benefit, keeping our environment safe, and ensuring a strong national defense.

In reviewing the President's Budget Blueprint, I am concerned that his proposals shortchange important needs that Americans depend upon.

I find it remarkable, for example, that the President proposes to cut funding to the Energy Department by almost one billion dollars—in the midst of an energy crisis the likes of which our country hasn't seen in years, if ever. I am particularly concerned that such a cut at the Department of Energy would be taken out of nuclear weapons facilities, particularly the Hanford Reservation in Washington State. This move would break the moral contract between the United States government and the people of Washington State—the moral obligation to protect the people from the hazards of nuclear waste. The Hanford clean-up is an ongoing federal responsibility and a timely clean-up is essential to the quality of our water and environment, as well as our public safety. To fall behind in the clean-up because of ill-advised funding cuts is an unacceptable risk. This is why I joined with Senator CRAPO to introduce an amendment, adopted last night by voice vote, to ensure that the Atomic Energy Defense Account is increased by $1 billion in fiscal year 2002 for just this purpose.

I am also concerned about the President's proposed budget for the Department of Health and Human Services. Although the President does increase funding for the DHHS by $2.8 billion, I see that he is increasing the National Institutes of Health by just that amount. If NIH is getting a $2.8 billion increase in the upcoming fiscal year, while its parent agency is only getting that amount as an overall increase, something else is going to be cut, or level funded. Are the cuts going to come from the Child Care Development Block Grant, funding to investigate child abuse and neglect, or services for our elderly?

The President proposes only $153 billion over 10 years to provide a low-income prescription drug benefit and finance overall Medicare reform. This is completely inadequate considering that over one-third of our nation's elderly lack coverage for their prescription drug needs, that the average senior spends more that $1,100 on medications every year, and despite the fact that prescription drugs are today's fastest growing segment of health care.

On Wednesday, the Senate adopted an amendment to increase the available funding for a new prescription drug benefit by up to $300 billion over 10 years. However, I think it is important to point out that this additional funding is coming from money already earmarked for the Medicare program, and from the broad cuts proposed by the President in other areas.

While I have the floor I want to talk about two very specific cuts that the President has proposed.

Since 1997, the Federal Emergency Management Agency has spent $107 million to help communities to prepare for and mitigate the potentially calamitous consequences of natural disasters. This funding—Project Impact—helps communities plan and implement preventive measures in order to prevent large-scale destruction of property and human life. Yet, when the President released his budget he proposed canceling Project Impact because "it has not proven effective."

Well, I can tell you that the very same morning the President released his budget, my State was hit with a 6.8 earthquake, and, though there was extensive structural damage throughout

the region, there were no deaths. And there is no doubt in anyone's mind, especially mine, that one of the main reasons this powerful quake did relatively little damage was because of the millions of dollars my state and our local communities have put into retrofitting buildings and preparing for such an event, dollars that were leveraged by Project Impact. For example, inspectors at Stevens elementary school in the Seattle school district following the earthquake revealed that a 300-gallon water tank directly above a classroom had broken free of its cables. The inspectors concluded that if it were not for a Project Impact retrofit project, the tank could have caused serious, potentially fatal injuries to children in the classroom, as well as significant property damage.

Mr. President, as I toured the communities in my state affected by the earthquake and spoke with local officials, I heard other examples, like this story of Stevens Elementary, that prove the effectiveness of the Project Impact program. By cutting funds for this vital program, we would be depriving cities throughout our country an opportunity to mitigate and possibly avert the potentially catastrophic consequences of natural disaster.

I am also concerned about the massive cuts proposed for the U.S. Export-Import Bank and the Overseas Private Investment Corporation. These two agencies are critical to maintaining U.S. competitiveness in the international economy through assistance programs that effectively increase U.S. exports and provides jobs to American workers. Although Ex-Im represents a minuscule fraction of the Federal budget, it provided $15 billion in export sales last year. The President's proposed 25 percent cut in Ex-Im bank would be a terrible mistake that could eliminate up to $4 billion in U.S. export sales. And OPIC, which over the past thirty years has generated $63.6 billion in U.S. exports and nearly 250,000 American jobs, ultimately operates at no net cost to U.S. taxpayers. Indeed, it actually returns money to the U.S. treasury and provides valuable assistance to U.S. companies seeking to invest and expand their operations abroad.

The support and funding of Ex-Im Bank and OPIC is a highly efficient way to increase U.S. competitiveness, especially for smaller companies exporting to higher-risk markets. The proposed cuts could be devastating to American companies and undermine our efforts to compete in the international economy. Mr. President, these programs should be de-politicized and their efforts to support U.S. exporters globally should be backed solidly by this chamber.

I know there are some in the Senate who support the President's proposed $2.0 trillion tax cut as a means for stimulating the economy. But this proposal would do little toward this end. Ninety-five percent of the tax cuts in the President's plan occur after 2003. By the time the tax cut takes full effect, the economy will have changed dramatically. These back-loaded tax cuts would do little to boost families' spending power immediately, and therefore do little to spur the economy in the months ahead. And in fact, even the Chairman of the Federal Reserve Board, Alan Greenspan, has said tax initiatives historically have proved difficult to implement in a time frame in which recessions have developed and ended.

This tax cut doesn't even go proportionally to every American. Forty-three percent of the benefits of the President's tax plan are targeted to the wealthiest one percent of families—those with an average annual income over $915,000. Surprisingly, 25 percent of Washington's working families and almost 400,000 of the children in Washington State would not get any benefit from the Bush tax plan.

Unfortunately, while relying on surpluses that may or may not appear, and funding a tax cut that goes disproportionately to the wealthiest families and is not interested in areas that will be stimulated in long-term growth, the President's budget eliminates funding to modernize aging schools, cuts maternal and child health programs, eliminates grants to hospitals and community health centers that serve uninsured and under-insured people, and cuts job training and employment services.

Responsible budgeting is a give-and-take. The country is at a critical juncture in setting our fiscal priorities: our choices are maintaining our fiscal discipline and investing in long-term growth, the nation's future education, job training and health care needs, or cutting the very services used daily by our citizens. I believe our budget must fund these critical priorities as well as allow for responsible tax relief. Unfortunately, however, the budget before us today does not do this.

Mrs. MURRAY. Mr. President, over the last 8 years, we learned what a difference a responsible budget can make. We learned it starts with the basics, like using real numbers and not ''betting the farm'' on rosy projections. We learned that if we invest in the American people and their needs, our country and our economy will benefit. We learned that we need to be fiscally responsible. That means making tough choices and holding the line on deficit spending. And we learned that we have to work together to get things done.

The last eight years have shown us that if we follow those lessons: using real numbers, investing in our people, meeting our needs, being fiscally responsible, and working together, we CAN turn deficits into surpluses, and we can transform the American economy into a job-creating machine.

Today, there is a new President in office. There is a new Congress. And there are new economic challenges as our economy slows and an energy crisis grows.

The times are different, but the lessons are the same. This isn't the time to throw away the handbook we've used for the past eight years. It's time to follow the lessons it offers. Unfortunately, the Administration and the Republican leadership are running in the opposite direction. And I fear that they will repeat the same mistakes of the past, mistakes that we are just now getting over.

The Republican budget ignores the lessons of the past eight years. Instead of focusing on real numbers and realistic estimates, the Republican budget puts all its faith in projected surpluses that may never materialize. What's more, the Republican budget hides some of the most important numbers, the cuts that many Americans will feel, in order to pay for a huge tax cut. Instead of investing in our people, the Republican budget shortchanges America's needs. In a few minutes, I'll detail some of the budget's shortcomings in areas like education, health care and environment. Instead of being fiscally responsible, the Republican budget asks us to commit to a $1.7 trillion tax cut, which is paid for out of the Medicare trust fund. There's nothing fiscally responsible about taking money that pays for seniors' medical care and giving it away to a handful of Americans. Finally, instead of working together, the Republican budget offers an example of partisanship at its worse. The Republican leadership has skipped the committee process entirely, something that is almost unheard of: to avoid having to work out these differences in a responsible, bipartisan way.

As a member of the Senate Budget Committee, I find it completely unacceptable that we would rush to the floor a $1.9 trillion FY 2002 budget with no Committee consideration. Worst of all, because this partisan maneuvering is coming at the beginning of the budget process, it could set the tone for a bitter session ahead. Our country learned a lot about responsible budgeting in the past eight years. Unfortunately today, the Republican leadership is ignoring those lessons so they can ram through an irresponsible tax cut. I don't want the American people to pay the price for such irresponsible budgeting. That's why, together with my Democratic colleagues, we are offering this alternative budget. The Democratic alternative budget takes the lessons of the past few years and applies them to the benefit of the American people.

Now I would like to turn to some of the specific issues addressed in the budget, starting with a tax relief. I want to be clear that I strongly support tax relief. In fact, we should be debating immediate, real tax relief for all Americans that can stimulate the economy and help my constituents pay their growing utility bills. We should be acting on a $60 billion tax rebate that would be available this year, not in three years or five years. This type

of immediate tax relief will give American families the added boost and confidence they need to held off a real recession. Instead, this Senate is acting on a budget that calls for $1.7 trillion in tax cuts based on a surplus that has yet to materialize. And we are acting before we even know the true impact of the budget. We won't know that until the President releases his detailed budget on April 9. The leadership would rather have us vote now and learn the consequences later.

Now I would like to turn to a few issues that the Republican budget underfunds, which the Democratic Alternative funds at the right level. Let's begin with prescription drugs. The lack of affordable drug coverage is not just a problem for those with very low incomes. All seniors and the disabled face the escalating cost of prescription drugs and the lack of affordable coverage. One or two chronic conditions can wipe out a couple's life savings in a few short months. Originally a prescription drug benefit was estimated to cost $153 billion. But new, recent estimates show that it will take about twice that amount to provide a real benefit. We know that seniors need an affordable drug benefit that's part of Medicare. The Republican budget does not set aside enough money to provide this benefit. This Democratic amendment does. The Republican budget not only short changes the prescription drug benefit: it also robs the Medicare Part A Trust Fund surplus to pay for a scaled-back benefit.

It takes money from hospitals, skilled nursing facilities and home health agencies to provide a limited prescription drug benefit. The surplus in the Part A Trust Fund should be used to strengthen Medicare and stabilize providers. I believe we can invest more of the surplus into a prescription drug benefit that all Medicare beneficiaries can access—instead of the limited benefit the Republicans offer.

There is another health care issue that the Republican budget shortchanges. Today, 44 million Americans don't have health insurance. When they need care, they go to the emergency room. ER's in this country are overwhelmed and on the verge of collapsing. It is getting harder for them to treat real emergencies. I know we can do better. We can expand programs that help working families secure affordable coverage. The Democratic alternative also reserves as much as $80 billion to address the growing uninsured population. We need to expand coverage for working families to provide a true health care safety net. Congress cannot ignore the uninsured any longer. In fact, as the economy slows down the number of uninsured will only increase. We need a real safety net for working families. The Democratic alternative provides the resources to meet this challenge. The Republican budget does not.

We also need to provide health care to families with severely disabled children. These families are often forced to impoverish themselves to provide care for their children. Some families must make the impossible choice between the welfare of their disabled child and the economic stability of their family. That's a choice that no family should be forced to make. The Democratic alternative invests in health care for those who lack coverage.

Next I'd like to turn to an environmental issue. In the Pacific Northwest, several species of salmon are threatened with extinction. This isn't just a symbolic issue. The people of Washington state have a legal, and a moral, responsibility to save these threatened species. The Pacific Northwest needs approximately $400 million through various federal agencies to meet the biological opinion on salmon recovery. As my colleagues may know, the National Marine Fisheries Service recently finalized a biological opinion. That opinion outlines the steps we need to take to save salmon and keep removal of the Snake River's four dams off the table and out of the courts. The Republican budget does not provide the resources we need. The Democratic alternative does.

In Washington state, we also face the challenge of cleaning up the Hanford Nuclear Reservation. Hanford Cleanup has always been a non-partisan issue, and I want to keep it that way. There were some press reports in February that the Bush budget would cut clean up funds. I talked to the White House budget director, Mitch Daniels, and he assured me that there would actually be an increase in funding for Hanford clean-up. However, the President's proposed cut of the nuclear cleanup program makes it difficult to meet the federal government's legal obligations in this area. Any retreat from our clean-up commitment would certainly result in legal action by the state of Washington. To avoid that and meet our legal obligations to clean up the Hanford Nuclear Reservation, we need an increase of approximately $330 million. The price of America's victory in World War II and the Cold War is buried in underground storage tanks and in facilities. And we've got to clean them up.

Next I'd like to turn to the energy crisis. In Washington state, higher energy prices have already cost us thousands of jobs. One report suggests that Washington state could lose 43,000 jobs if we fail to take any action to stem higher energy costs. The short term solution to the energy crisis in the Pacific Northwest will not be found in the budget resolution. However, the framework for a national energy policy should be. The President is proposing dramatic budget cuts in renewable energy research and development. This is taking us in the wrong direction. As the Democratic alternative promotes, we should be reducing our reliance on fossil fuels by promoting renewable energy, conservation, and efficiency programs.

Finally, the Republican budget shortchanges America's students. Education is a national priority, but this budget doesn't treat it like one. This budget would abandon the commitment made by Congress to education over the past three years to hire additional teachers throughout the country to lower class size. Across the country, there are almost 2 million students learning in classrooms that are less crowded than they were a few short years ago. This budget would also abandon the commitment we made last year to help crumbling schools with emergency repairs and renovations. The GAO estimated that our country needs to invest more than $112 billion to get our schools in decent shape, and we were just beginning to help communities do that. This budget would abandon the commitment we had made to students and communities to provide extra support for disabled students and disadvantaged students. Broken promises to these students means we are offering false hope rather than real support. For years, there was debate about what would improve education. Today, we know the answer: smaller classes, individual attention, good teachers and high standards. For years, there was no funding for these efforts. Today there is. Under the Republican budget, we would abandon those investments. In the Democratic alternative, we meet the need in America's classrooms.

Mr. President, as I have pointed out the Republican budget takes us in the wrong direction.

The Demoractic alternative we are offering today will provide tax relief for the American people, and keep our commitment to national priorities.

I urge my colleagues to support this Democratic alternative.

Mr. KENNEDY. Mr. President, at the heart of the budget dispute between Republicans and Democrats is the size of President Bush's proposed tax cut. Republicans claim the surplus is so large that we can have it all, that their massive tax cut will not interfere with efforts to address the country's most serious concerns. Democrats respond that the Bush tax cut is so large that it will consume virtually all of the available surplus, leaving no resources to meet the Nation's basic needs. Under the Bush budget, the numbers just do not add up.

The vote on the budget resolution is the vote which will determine the size of the tax cut. Once that vote is cast, more than $2 trillion, the real price tag on the tax cut, will effectively be gone. Those dollars will no longer be available for any other purpose—not for education, not for healthcare, not for defense, not for debt reduction, not for Social Security, not for Medicare. That money will be gone.

The impact of the Republican tax cut on the Federal Government's ability to address the most pressing concerns of the American people would be devastating. It is too large to fit into any responsible budget. The available surplus over the next ten years is, at

most, $2.7 trillion. Whatever we do over the next decade to address this country's unmet needs must be paid for from that amount. Whatever we want to do to financially strengthen Social Security and Medicare for future retirees must be funded from that amount. Whatever funds we want to hold in reserve for unanticipated problems must also come from that amount.

President Bush tells us his tax cut will only cost $1.6 trillion. But the Administration's own budget documents acknowledge that the tax cut will consume more than $2 trillion of the surplus. Independent analysts have shown that the real cost of the tax cuts which the Republicans support will be close to $2.5 trillion over the next ten years, consuming 90 percent of the available surplus. There will be less than $200 billion, just $20 billion a year, left to finance everything we hope to accomplish in the decade ahead. The Republican budget does not add up.

What would this mean for working families? There will simply be no money left to address the problems that concern them most: An elderly grandmother will not be able to afford the cost of the prescription drugs she needs to avoid serious illness; Her young grandchildren will go to overcrowded schools where the classroom may be in a trailer and where the teachers are too busy to give them the individual attention they need; Their older brother and sister will have difficulty affording college because the grant and loan assistance available to them will not have kept pace with the cost of tuition; Their parents will not have access to the technology training needed to move up the career ladder at work, so they may be stuck in a dead end job; If the family in among the 44 million Americans who do not receive health coverage at work and who cannot afford to purchase it, they will get no significant new help with their medical costs; And if they live in a high crime neighborhood, there will be fewer cops on the street to ensure their safety.

But what about the tax cut? What will the Bush tax plan do for families like this? Unfortunately, it will not do much. The Republican tax cut is heavily slanted toward the wealthy. Over 40 percent of the entire tax cut nearly one trillion dollars in tax breaks will go to the richest 1 percent of taxpayers. They would get an average of $54,000 each year in tax benefits. This is more than most workers earn in a year.

Under the Bush plan, 60 percent of working families will save $500 or less a year in taxes. Twelve million low income working families would not get any tax cut under the Bush plan, even though they pay federal taxes every year. The Republican tax cut is just not fair. It does the least for people who need help the most, the same people who depend on the programs which the Republicans want to cut.

The Democratic budget plan stands in stark contrast to the Republican plan. Budgets are a reflection of our real values, and these two budgets clearly demonstrate how different the values of the two parties are. In political speeches, it is easy to be all things to all people. But the budget we vote for shows who we really are and what we really stand for. Our budget is geared to the needs of working families. It will provide them with tax relief, but it will also address their education and health care needs. And it will protect Social Security and Medicare, on which they depend for secure retirement.

There are four criteria by which we should evaluate a budget plan: 1. is it a fiscally responsible, balanced program? 2. does it protect Social Security and Medicare for future generations?, 3. does it adequately address America's urgent national needs?, and 4. does it distribute the benefits of the surplus fairly amongst all Americans? By each yardstick, the Republican budget fails to measure up. The Democratic budget is a far sounder blueprint for building America's future.

Once the Social Security and Medicare surpluses are reserved for the payment of future benefits, the available surplus is projected to be $2.7 trillion over the next ten years. The heart of the difference between the Democratic and Republican budgets is how each would use this surplus. The Democratic proposal would divide the surplus into thirds; allocating $900 billion for tax cuts, $900 billion for priority programs, and $900 billion for debt reduction. This contrasts sharply with the Republican plan, in which tax cuts would consume 90 percent of the surplus.

When President Bush cites $1.6 trillion as the cost of his tax cut, he neglects the increased cost—more than $400 billion—of interest on the larger national debt caused by the tax cut. He ignores the $240 billion cost already added to elements of the Bush plan by House Republicans. His plan also ignores the $200 billion cost of revising the Alternative Minimum Tax to prevent an unintended increase in taxes on middle income families, and the $100 billion cost of extending existing tax credits through the decade. In reality, the Bush tax cut will consume $2.5 trillion over the decade.

By consuming $2.5 trillion of the $2.7 trillion available surplus on tax cuts, the Republican budget would leave virtually nothing over the next ten years:

to strengthen Social Security and Medicare before the baby boomers retire,

to begin the quality prescription drug benefit that seniors desperately need,

to provide the education increases that the nation's children deserve,

to train and protect the American workers whose increased productivity has proved essential to our strong economy,

to advance scientific research,

to improve the nation's military readiness,

to improve the security of family farmers, and

to avoid burdening our children with the debt that we have accumulated.

After the Bush tax cut, we will not have the resources to meet these urgent challenges. There will simply be no money left.

The Democratic plan strikes a balance between tax cuts and addressing these important national priorities. It provides $900 billion to finance tax relief for the American people. This amount would allow a tax rate cut for all taxpayers, marriage penalty relief, and a doubling of the child tax credit. It would also enable us to implement several of the most widely supported targeted tax cuts such as making college tuition tax deductible and providing a tax credit for long-term care costs.

I support a substantial tax cut, such as the one I just outlined, but not one that is so large that it crowds out investment in national priorities like education, health care, worker training and scientific research. Not one that is so large that it jeopardizes Medicare and Social Security. Not one that is so large that it threatens to return us to the era of large deficits.

By authorizing a third of the surplus for spending on the nation's most important priorities, the Democratic plan would enable us to improve education by reducing class size and enhancing teacher quality, to provide senior citizens with meaningful assistance with the cost of prescription drug coverage, to extend health care coverage to many uninsured families, and to expand worker training opportunities and scientific research that will strengthen our economy. These are important initiatives that have overwhelming public support. The Democratic budget allows us to pursue these goals. Unfortunately, the Republican budget does not.

By reserving one third of the surplus for debt reduction, the Democratic plan provides a safety value should the full amount of the projected surplus not materialize. We are not spending every last dollar of the $2.7 trillion, we propose to hold $900 billion in reserve. If the full surplus materializes, it will be used to pay down the debt. If projections fall short, we will have a cushion.

The $2.7 trillion is only a projected surplus. The Congressional Budget Office itself recognizes that a small reduction in the growth rate of the economy would reduce its surplus estimates by trillions of dollars. Its projection for the next decade is based on a growth rate which the economy has only achieved in 5 of the last 35 years. Forecasting a budget surplus ten years in advance is no more reliable than forecasting the weather ten years in advance. Recent events should vividly remind us how difficult it is to predict the economy even one year ahead. CBO acknowledges that there is a 35 percent chance that the on-budget surplus will be less than half the size it has projected . . . less than half! Without a

large reserve, Social Security is vulnerable to a new raid if the projected level of surplus fails to materialize.

In order to truly protect Social Security and Medicare, the budget we adopt must 1. reserve the entire Social Security surplus and the Medicare surplus to pay for future retirement and medical benefits; and 2. devote a substantial portion of the available surplus to strengthen Social Security and Medicare by reducing long-term debt. The Democratic budget does both, and the Republican budget does neither.

The Social Security and Medicare surpluses are comprised of payroll taxes that workers deposit with the Government to pay for their future Social Security and Medicare benefits. Just because the Government does not pay all those dollars out this year does not make us free to spend them. Over the next ten years, Social Security will take in $2.5 trillion more dollars than it will pay out and Medicare will take in $400 billion more dollars than it will pay out. But every penny of this will be needed to provide Social Security and Medicare benefits when the baby boomers retire.

The Republican budget fails to set the entire $2.9 trillion aside to cover the cost of future Social Security and Medicare benefits. It only protects $2 trillion of that amount. The remaining $900 billion is used for other purposes. This threatens the retirement benefits of current workers. While the Bush budget is vague on just how this money will be used, it appears that more than $500 billion of it will be used to finance the Administration's scheme to create private retirement accounts. I believe it would be terribly wrong to take money out of Social Security to finance risky private accounts.

The Republican budget is even more reckless in its treatment of the $400 billion Medicare surplus. The Bush Administration would give the Medicare dollars no special protection. It would co-mingle them in a contingency fund available to pay for their tax cuts and new spending.

The threat posed by the Republican budget to Social Security and Medicare is very real. It removes $900 billion that already belong to these essential programs.

Democrats are committed to keeping Social Security and Medicare strong. We do this by reserving all payroll taxes for the retirement and medical benefits that are now promised to seniors under current law. No qualifications, no exceptions. This commitment means that workers' payroll taxes are not available to fund income tax and estate tax cuts, private retirement accounts, or new spending.

The contrast between the Democratic and Republican budgets on Social Security and Medicare could not be greater. The Democrats would use $900 billion of the available surplus to strengthen Social Security and Medicare by paying down the debt. Republicans would remove $900 billion from Social Security and Medicare, and they would spend these dollars for other purposes.

Many of America's most critical unmet needs are in the areas of health care and education. The surplus affords us an unprecedented opportunity to address these national concerns. Unfortunately, the Republican budget seriously short-changes them both.

One of our highest health care priorities should be assisting seniors with the cost of prescription drugs. America's seniors desperately need access to prescription drugs, and President Bush only provides a placebo. He says the right things about how important it is to provide prescription drugs, but the numbers in the Republican budget prove that his words can not pass the truth in advertising test.

There can be no question about the urgent need for a Medicare prescription drug benefit. A third of senior citizens, 12 million people have no prescription drug coverage at all. Only half of all senior citizens have prescription drug coverage throughout the year. Meanwhile, last year alone prescription drug costs increased an average 17 percent.

The Republican budget provides only $153 billion over 10 years to finance prescription drug assistance for seniors. That amount is woefully inadequate. A real drug benefit available to all seniors would cost more than twice that amount. Yet even the $153 billion which the Republican budget purports to provide is illusory. These are not new dollars. They come out of the $400 billion Medicare surplus which was improperly removed from the Medicare Trust Fund.

Unlike Republican proposals, the Democratic plan would provide drug coverage to all seniors through Medicare. The Democratic budget provides $311 billion to make prescription drugs affordable for seniors. It is the only real way to solve the problem.

The Republican budget also fails to address the needs of the Nation's uninsured. An uninsured family is exposed to financial disaster in the event of serious illness. The health consequences of being uninsured are even more devastating. In any given year, one-third of people without insurance go without needed medical care. The chilling bottom line is that 83,000 Americans die every year because they have no insurance. Being uninsured is the seventh leading cause of death in America. Our failure to provide health insurance for every citizen kills more people than kidney disease, liver disease, and AIDS combined.

Candidate Bush severely criticized the Clinton-Gore Administration for what he described as an inadequate response to this crisis. But the budget resolution that his Republican colleagues have presented does nothing meaningful to expand health coverage. In this time of unprecedented budget surpluses, isn't it more important to assure that children and their parents can see a doctor when they fall ill than it is to provide new tax breaks for multi-millionaires?

The Democratic budget provides 80 billion new dollars over the decade to extend health care coverage to uninsured families. Over the last few years, we have made great strides providing health coverage for children. However, there are many more children who still lack basic health coverage. These children, and their entire families, desperately need access to health care. The most effective way to provide health coverage is to insure the entire family. We are committed to taking this next step.

Given how much President Bush has talked about education, it may come as a surprise to hear that education is one of the national priorities he has seriously shortchanged. But, sadly that is what the facts of the Republican budget show. The claim that President Bush increases funding for the U.S. Department of Education by $4.6 billion or 11.5 percent this year is the purest fantasy. Smoke and mirrors produced these numbers.

President Bush counts $2.1 billion that President Clinton and the 106th Congress approved last year as part of this year's increase. If President Bush did nothing on education, almost half of ''his increase'' would happen anyway. The real increase that he proposes is $2.4 billion—only 5.7 percent above a freeze. And $600 million of the $2.4 billion increase is needed just to keep up with inflation. In reality, President Bush proposes only $1.8 billion in new money for education next year, a mere 4 percent above inflation.

President Bush's education budget is a step backwards. It does not keep up with the average 13 percent annual increase Congress has provided for education over the last 5 years, and it will not enable communities and families across the country to meet their education needs.

This year, schools confront record enrollments of 53 million elementary and secondary school students, and that number will continue to rise steadily, reaching an average six percent increase in student enrollment each year. President Bush's budget fails to keep pace with population growth in schools, and under the budget he proposes, Federal education support per student may well decrease over the decade.

I applaud President Bush for making reauthorization of the Elementary and Secondary Education Act a top priority. I applaud him for challenging the nation to ''leave no child behind.'' But I am disappointed that he has not backed his words with the resources needed to produce the action that we all agree is necessary. The Republican budget will leave many children behind.

In sharp contrast, the Democratic budget would increase investment in education by $150 billion over the decade. It is the second largest spending commitment in the Democratic plan.

This will provide the resources which will enable us to keep pace with the needs of the steadily expanding number of students in our public schools. It will allow us to significantly reduce class size, so that teachers can give individual students the attention they need. It will provide for better professional development for teachers and greater access to information technology in the classroom. It will make after school programs available for children who currently have no where constructive to go. And, it will make college financially attainable for many of the students who simply cannot afford it today. It would be extraordinarily shortsighted to turn our back on these national responsibilities.

All these program cuts are made to finance the Republican tax cut, and the tax cut they would enact is grossly unfair. In reality, the wealthiest 1 percent of taxpayers, who pay 20 percent of all federal taxes, would receive over 40 percent of the tax benefits under their plan. Their average annual tax cut would be more than $54,000, more than a majority of American workers earn in a year.

The contrast is stark. Eighty percent of American families have annual incomes below $65,000. They would receive less than 30 percent of the tax benefits under Bush's plan. The average tax cut those families would receive each year is less than $500. Twelve million low-income families who work and pay taxes would get no tax cut at all under Bush's plan. If we are going to return a share of the surplus to the people, that certainly is not a fair way to do it.

Because the Bush tax cut is slanted so heavily to the wealthy, it is possible to enact a tax cut that costs less than half of President Bush's proposal, yet actually provides more tax relief for working families. That is what the Democratic tax cut would do.

The Democratic tax cut proposal incorporated in our budget would cost $900 billion. It would provide a tax cut for everyone who pays income tax. In addition, it would provide tax relief for the 12 million working families that the Bush plan ignored. These low income families pay substantial payroll taxes, and they too deserve relief. The Democratic plan also provides help to couples currently hurt by the marriage penalty. A tax cut of this size would also allow us to help families by doubling in the child tax credit, making college tuition tax deductible, and providing a tax credit for long term care costs. Such a program would provide greater tax relief for a substantial majority of taxpayers than the far more expensive Bush plan. That is because the tax benefits are distributed fairly.

A close look at President Bush's budget only confirms that indeed we can not have it all. There is no way to provide massive tax cuts, eliminate the national debt, and meet the Nation's priority needs. This Republican budget is a fantasy.

In essence, President Bush is asking working families to sacrifice while the wealthiest families in America collect far more than their fair share. This Republican budget threatens our prosperity and ignores the most fundamental national needs. It does not have the support of the American people, and it does not deserve their support.

Mr. SARBANES. Mr. President, I rise in opposition to the budget resolution currently pending before the Senate. In my view, this budget squanders the extraordinary opportunities before us and moves the country in the wrong direction.

As we work to craft a budgetary plan to carry us through the first decade of the 21st century, we would do well not to repeat the mistakes of the last century, mistakes which could send us back into the deficit ditch from which we so recently emerged. In the early days of the Reagan administration, Congress complied with the President's request for a large tax cut. The Nation felt the negative effects of that tax cut for more than a decade, as Federal deficits grew and the national debt exploded. These were not good economic times for the country.

I am proud to have been a part of the effort in 1993 that helped to turn things around. Working together, the President and Congressional Democrats crafted a package that finally brought the Federal deficit under control. By making difficult but critical decisions to cut Federal programs and raise revenues, we tamed the deficits that plagued the Nation throughout the 1980s. Most Republicans argued at the time that this responsible package would ruin the economy and send markets tumbling. They were dead wrong.

Thanks to the approach we adopted in 1993, the Nation enjoyed a remarkable period of economic prosperity. This disciplined fiscal policy gave the Federal Reserve room to run an accommodating monetary policy that allowed the economy to sustain the longest expansion in U.S. history. The economic expansion brought unemployment down to 4 percent, helped turn budget deficits into surpluses, and produced an expansion in investment that led to rising levels of productivity, which in turn kept inflation at very low levels. It was a remarkable achievement.

Although the economy is now slowing somewhat, I do not believe we should embark on a dramatic shift in our fiscal policy. Doing so would only jeopardize the gains we have made thus far. Instead, we must continue to pursue a balanced approach that combines debt reduction, a short-term tax cut benefitting working people, and spending on urgent national needs.

The budget resolution before us takes exactly the opposite approach. It is unbalanced, proposing to cut taxes by more than $1.6 trillion—or close to $2.2 trillion when associated interest costs are included. I am deeply concerned that if we pass this resolution, we will be repeating the mistake we made in 1981 and squandering the fiscal security we have worked so hard to achieve.

Before I consider the substance of the budget resolution in detail, I would like to take a moment to comment on the process. Our consideration of this budget resolution is unusual even unprecedented—in two important ways. First, we have not had a mark-up in the Budget Committee; instead, we are debating the budget for the first time here on the Senate floor. Second, we are debating the budget resolution without the President's detailed budget submission.

I am proud to be a member of the Senate Budget Committee, the only Committee in the Senate that is uniquely focused on the Federal budget. This year, the Budget Committee has held a series of informative hearings on issues such as tax policy, debt management, Medicare reform, defense, and the impact of future demographic changes on our economic outlook. However, the task before the Committee is not simply to hold hearings, but rather to use the perspective and knowledge gained from those hearings to develop a responsible Federal budget. Chairman DOMENICI's unprecedented failure to hold a markup has prevented us from fulfilling the committee's primary duty.

Even more troubling is the fact that we have not yet received the President's detailed budget submission. We have only the vague outlines, and will not receive the specifics until next week. It defies logic to vote on a budget resolution before we have seen the budget. It is impossible to debate the merits of the President's proposed spending cuts when we have not been told which programs will be cut. Nor can we have an informed debate on the President's tax cut proposals, because the Joint Tax Committee has not been given enough detail about those proposals to estimate their true cost. Nonetheless, the Republican leadership has chosen to move forward with their budget resolution.

Let me turn now to the substance of their proposals. First, I think it is important to understand that this budget resolution is based on very uncertain long-term projections. The limitations inherent in economic projections are clearly illustrated by recent experience: just 6 years ago, in January 1995, the Congressional Budget Office projected that we would finish the year 2000 with a $342 billion deficit. Instead, we saw a surplus of $236 billion—a swing of $578 billion.

In fact, most of the projected surplus over the next 10 years is expected to occur in the outyears, when projections are the most uncertain: almost 65 percent of the unified surplus and almost 70 percent of the non-Social Security surplus are projected to occur in 2007–2011, the last 5 years of the projection period. I believe it would be unwise to commit these uncertain surpluses to large, permanent tax cuts, as the Republican budget does.

Moreover, the tax cuts proposed by the Republicans disproportionately benefit the wealthiest among us, and leave few resources for meeting important national priorities. I strongly believe that any surplus realized in the near future should be seen as an opportunity to pay down the Nation's debt, invest in our Nation's future, and shore up vital programs. I am deeply concerned that the budget resolution before us fails to take advantage of an unprecedented opportunity to ensure that the Federal Government will meet its obligations after the baby boomers retire and beyond. This budget would endanger our hard-won progress and shortchange national priorities that the American people want to see addressed. The budget does not ensure that Social Security and Medicare funds will be safeguarded to pay current obligations, but instead allows these funds to be diverted for other purposes. The budget devotes insufficient funds for a Medicare prescription drug benefit. Deep cuts would be required in a variety of crucial programs.

Let me highlight some of the ways in which this budget fails to meet America's urgent priorities. We are facing a number of critical infrastructure needs. For example, EPA estimates that some 218 million Americans still live within 10 miles of a polluted body of water—a river, lake, beach or estuary. Nearly 300,000 miles of rivers and streams and approximately 5 million acres of lakes still do not meet state water quality goals. National treasures like the Chesapeake Bay and Great Lakes still face significant water quality problems from municipal discharges of nutrients and other pollutants. Thousands of communities across the country have separate sanitary sewers or combined sewers which experience overflows under certain conditions, sending raw sewage into nearby waters, posing significant public health and environmental risks. Published studies have estimated that contaminated drinking water is responsible for nearly 7 million cases of waterborne diseases and approximately 1,200 deaths in the U.S. each year.

In February, the Water Infrastructure Network (WIN), a coalition of local elected officials, drinking and wastewater service providers, contractors, unions, and environmental groups, released a report which identified a need for a $57 billion Federal investment to replace aging and failing drinking water, sewer, and stormwater infrastructure over the next 5 years. The report found a gap of $23 billion per year between infrastructure needs and current spending. Similar assessments by EPA and others have also estimated water treatment and drinking water needs in the hundreds of billions of dollars.

If we are to provide clean and safe water for everyone in America, we need to invest in upgrading and maintaining our wastewater and drinking water systems. The budget resolution fails to address these needs.

The budget resolution also fails to address what I consider one of America's most vital priorities—ensuring that all Americans live in decent, safe, and affordable housing. Even as the Nation has achieved record levels of homeownership, we are facing a shortfall of affordable rental housing that is reaching crisis proportions. According to HUD, nearly 5 million American families, despite years of economic growth, job growth, and income growth, continue to suffer from what are called ''worst case'' housing needs. This means that they pay over half their income in rent.

Take a minute to imagine that. If you were paying half your income in rent, what would you do if your child fell ill and you had an unexpected medical bill? What would you do if your car broke down and needed to be repaired? What would you do if energy prices skyrocketed, forcing you to pay more to heat your home? You'd be forced into a hobson's choice that could result in your losing your job or your home.

A more expansive study by the Center for Housing Policy shows that millions more American families, including 3 million working households, suffer from the same critical housing need. Yet, the budget resolution follows the proposals made by the President to cut the federal housing budget by a total of $1.3 billion, or 5 percent below the freeze level. When you take inflation into account, the cut is really about 8 percent, or $2.2 billion. Specifically, the President proposed that 25 percent of the public housing capital fund be eliminated. This proposal is made in the face of documented capital needs in excess of $20 billion, a backlog that has been confirmed by independent studies.

In 1998, we worked on a bipartisan basis to reform the public housing program. We passed a strong bill that greatly increased local flexibility, and asked housing authorities to be more creative in seeking out new sources of capital to meet their capital needs. Many housing authorities have done just this, working with Wall Street to sell bonds backed by capital account appropriations. The success of this whole endeavor is now put in doubt because of the proposed cuts.

The Republican budget also cuts CDBG by over $400 million, eliminates HUD's small, but important rural housing program, and unnecessarily constrains state and local governments in their use of HOME funds. In addition, the budget inexplicably terminates the Public Housing Drug Elimination Program (PHDEP), arguing that, somehow, evictions solve the problem. PHDEP funds are used to provide tutoring to children; they help provide effective alternatives to keeping kids off the streets, out of gangs, and away from trouble. These funds pay for increased security and increased police presence. They are an integral part of the effort to keep drugs out of public housing. It is preventive medicine, and it is an investment that pays back well in excess of its cost.

These are only a few of the many examples one could cite to show that the budget resolution we are considering today does not invest in America's future, but instead turns us back toward the past.

The Democrats have proposed a responsible budget alternative which balances the need for debt reduction, targeted tax cuts, and investment in critical national needs. The Democratic alternative fully protects the Social Security and Medicare surpluses to ensure that we will be able to meet our obligations to America's seniors, now and in the future. The alternative provides for a meaningful, affordable, and universal prescription drug benefit, and devotes real resources to meeting pressing needs in education, defense, and our national infrastructure. For example, the alternative restores the cuts proposed by the President for the Corps of Engineers civil works program. A safe, reliable, and economically efficient water infrastructure system is vital to our Nation's economic well being and quality of life, and I am proud to say that the Democratic alternative recognizes the importance of the Corps' civil works program.

The alternative recognizes the importance of funding our international affairs account, which includes both State Department operating expenses and foreign operations. At a time when the need for U.S. global leadership is greater than ever, I am pleased to say that the Democratic alternative does not shrink from funding these responsibilities.

In the area of housing, the Democratic alternative makes sure that public housing authorities can continue to maintain and upgrade their developments. In fact, not only does it maintain capital levels, but it adds $200 million per year to the operating subsidy, so that public housing agencies, who house our poorest, most vulnerable citizens, can pay their rising energy bills. In fact, the Democratic alternative restores all the cuts in housing included in the President's blueprint, including restoring the PHDEP program, and all the activities it supports. In addition, it adds another $2 billion over 10 years to get the federal government back in the business of financing the construction of affordable housing through the HOME program, which is a proven, effective delivery system.

In addition, the Democratic alternative ensures funding for some less visible, but no less vital programs. We would fund the Assistance to Firefighters Grant Program, run by the Federal Emergency Management Agency, at the full authorized level, ensuring that our nation's first responders have the resources they need to safeguard America's citizens from the dangers of fire. The Democratic alternative supports liveable communities by funding mass transit programs, environmental protection efforts, and law

enforcement programs. These may not be high-profile issues, but they address very real needs felt by many Americans—needs which are not addressed by the Republican budget before us.

We have come far economically and must be very careful as we move forward so as not to return to the deficits which hampered our economic growth for so long. In my view, we must emphasize paying down the national debt, protecting Social Security and Medicare, increasing spending for programs important to our Nation's future, and providing short-term tax cuts for working Americans. The Republican budget falls far short of the mark in almost every respect. I strongly oppose this resolution, and I urge my colleagues to reject it.

Ms. SNOWE. Mr. President, today marks an historic occasion for the Senate. At the end of this fiscal year, not only will the federal government have run a balanced budget without the use of the Social Security surplus for a third consecutive year, the first time that has happened since 1947 to 1949—but the budget resolution we are now considering would reduce the publicly-held debt to its lowest level since World War I.

No longer is business in Washington defined by the terms ''deficit'' and ''debt''. ''Fiscal responsibility'' has been reintroduced into the political lexicon and the result should prove a welcome relief not only to this generation but to those yet unborn generations that will be spared the mountain of debt we would otherwise bequeath in a legacy of lavish spending and fiscal recklessness.

In light of these on-budget surpluses we now enjoy and the era of surpluses we are projected to see over the coming ten years, I would especially like to thank the Chairman of the Senate Budget Committee, Senator PETE DOMENICI, for his unwavering commitment to balanced budgets and responsible decision-making.

Thanks in large part to his leadership and his tireless efforts, the turbulent waves of annual deficits and mounting debt that have rocked this place for decades have been calmed. And, if we are willing to adhere to the kind of sound principles expounded for years by my colleague from New Mexico, in this year's budget resolution and others to come, we may be able to maintain the current budgetary calm for many years into the future.

The budget resolution we are now considering not only maintains fiscal discipline, but it does so within a framework that ensures America's priorities are protected and addressed in fiscal year 2002 and beyond. If the budget is a roadmap, this budget will point us toward four critical goals:

First, it protects every penny of the Social Security and Medicare surpluses in upcoming years.

Second, over the coming ten years, it pays down as much of the publicly-held debt as is considered possible, reducing it to its lowest level since 1916.

Third, it provides a substantial funding increase for discretionary spending programs, including education and defense, and, thanks to the adoption of the Grassley-Snowe amendment yesterday, it includes significant funding for a new prescription drug benefit.

And, fourth, from the non-Social Security surplus that remains, it provides tax relief for Americans during a time of rising economic uncertainty, and a time when the typical family's tax burden exceeds the cost of food, clothing, and shelter combined.

Collectively, I believe these principles and priorities reflect those of most Americans, especially the commitment to protecting Social Security and Medicare surpluses and buying-down publicly-held debt. Accordingly, I believe this resolution deserves broad bipartisan support in the Senate and, ultimately, by the entire Congress.

To truly appreciate how momentous the principles and policies reflected in this budget really are, one need only compare it to where we have been, and where we currently stand, on both tax and spending policies.

As many of my colleagues are all too aware, it was not that long ago that the notion of buying-down federal debt would have been considered akin to a winter without snow in my home state of Maine, or maybe the Boston Red Sox winning the World Series. Except that, when it came to actually reducing the debt, it wasn't even a case of ''wait 'till next year''. It was more like ''Waiting for Godot.''

Yet, unlike Godot, the days of paying down our debt are real and have actually arrived. Through a growing economy and fiscal austerity, the federal government has not only paid down more federal debt over the past three years than at any time in history, $363 billion overall, but we now stand poised to buy-down as much of the debt as is considered financially feasible within the next ten years.

While there are understandable differences of opinion on the precise amount of federal debt that can be retired over this time frame, the simple fact is that this budget resolution calls for the retirement of 2.4 trillion dollars of debt over the coming ten years, leaving the publicly-held debt at just over $800 billion in the year 2011. Of note, this level of publicly-held debt, which is the so-called ''irreducible'' level of debt according to CBO, is even lower than the $1.2 trillion ''irreducible'' debt level that was identified by both the current administration and the Clinton Administration in its January 2001 report.

By the same token, the spending increases contained in this budget are not only significant—especially when compared to recent history—but targeted toward specific and demonstrated needs.

As my colleagues are aware, it was not that long ago that discretionary spending rarely, if ever, saw an annual increase. In fact, discretionary spending was essentially frozen between 1991 and 1996, with total outlays only $1 billion higher in 1996 than in 1991. Furthermore, from 1996 through the end of the decade, discretionary spending grew at an annual rate of 3.7 percent.

In contrast, this budget resolution provides for an increase in discretionary spending of four percent, a rate even higher than inflation. And although such an increase may not placate those who would prefer that the discretionary spending jumps of the past two years become the norm, the bottom line is that anyone who would have proposed a four percent increase during the past decade would have been considered a ''profligate spender''!

In addition to providing a substantial increase in discretionary spending, this budget also provides much-needed funding for a new Medicare prescription drug benefit.

As my colleagues are aware, the need for a new Medicare prescription drug benefit could not be more clear. When Medicare was created in 1965, it followed the private health insurance model of the time—in-patient health care. Today, thirty-six years later, the expiration date on this prescription for health care—treating patients in hospitals rather than treating them at home, has long since come and gone. Correspondingly, the lack of a prescription drug coverage benefit has become the biggest hole, a black hole really, in the Medicare system.

With tremendous leaps in drug therapies occurring almost daily, it is time to bring Medicare ''back to the future''. It is time to provide our seniors with prescription drug coverage.

In my view, a solution to this pressing problem can't come soon enough. Drug coverage should be part and parcel of the Medicare system, not a patchwork system where some get coverage and some don't. Prescription drug coverage shouldn't be a ''fringe benefit'' available only to those wealthy enough or poor enough to obtain coverage. It should be part and parcel of the Medicare system that will see today's seniors, and tomorrow's into the 21st Century.

Accordingly, I made the funding of a new prescription drug benefit my highest priority over the past three years on the Budget Committee. And I'm gratified that those efforts—which led to $20 billion being set aside for this purpose in the FY00 budget resolution, and $40 billion in the FY01 budget resolution, have helped pave the way for $153 billion being set aside for prescription drugs in this year's budget resolution, and an additional $147 billion being added for this purpose due to yesterday's adoption of the Grassley-Snowe amendment.

As the Chair of the Finance Subcommittee on Health, I will be doing everything I can to help craft and enact a strong, reliable Medicare prescription drug benefit this year, and in that light I'd especially like to thank

the Chairman of the Finance Committee, Senator GRASSLEY, for committing himself and our Committee to developing such a benefit by the August recess. And with the additional monies the Grassley-Snowe amendment provided for this purpose, I am confident that we will not only meet this goal, but also ensure that the benefit we create will be meaningful and secure for years to come.

After we have set aside the Social Security and Medicare surpluses . . . after we have paid down as much debt as possible over the coming 10 years . . . and after we have provided for substantial but responsible and necessary increases in discretionary spending and resources for a new Medicare prescription drug benefit, only then, from the remaining on-budget surpluses, do we provide for a tax cut.

And there should be no mistake, this is much-needed tax relief for the American people. As outlined earlier, I believe that, given growing economic uncertainty, a tax cut is not only warranted in terms of returning some of the surplus to those who created it in the first place, the American people, but also in terms of the well-being of our economy. As for the need, the numbers speak for themselves.

Economic growth has slowed considerably over the past two quarters. Consumer confidence has fallen precipitously since November and only stabilized this past month. The NASDAQ dropped 26 percent during the last quarter and is down 66 percent from its high of 13 months ago. The Dow has dropped nine percent over the past two months alone, with the S&P 500 dropping 16 percent over the same period of time. And reports of layoffs are coming with increased frequency, even as more and more ''dot-coms'' continue to close their doors and ''virtual reality'' has turned into harsh reality for countless investors.

While a tax cut may not actually prevent a recession if one is in the offing, it would—as Federal Reserve Chairman Alan Greenspan stated before the Senate Finance Committee—act as ''insurance'' should our recent downturn prove to be more than an inventory correction. Given the warning signs in the economy, I believe that's an insurance plan that Congress can't afford to forgo, lest we later be justifiably accused of ''fiddling while Rome burns.''

But it's not just the economy that could use a break, it's also the American taxpayer, especially when you consider that a typical family now pays more in taxes than for the cost of food, clothing, and shelter combined. And, as a percent of GDP, federal taxes are at their highest level, 20.6 percent, since 1944, and all previous record levels occurred during time of war, 1944, 1952, and 1969, or during the devastating recession of the early-1980s in which interest rates exceeded 20 percent and the highest marginal tax rate was 70 percent.

Given this confluence of circumstances, both economic uncertainty and an historically high level of federal taxes, I believe a portion of the remaining on-budget surplus should be utilized for a tax cut. And by providing the blueprint for a tax cut of up to $1.6 trillion over the coming 10 years, Congress will have the ability to make a determination on both the appropriate size and content of such a package in the weeks ahead.

At the same time, I understand the concerns that have been raised about the certainty of long-term economic and budget projections. Accordingly, I found Federal Reserve Chairman Alan Greenspan's recent testimony before the Budget Committee very compelling, especially his suggestion that we create some type of trigger mechanism linking tax and spending policies to actual budgetary performance in the future.

Specifically, Chairman Greenspan stated that long-term tax and spending initiatives should ''be phased-in'' and should include ''. . . provisions that, in some way, would limit surplus-reducing actions if specified targets for the budget surplus and federal debt were not satisfied.''

Because the surplus is projected to grow successively larger over the coming 10 years, with two-thirds of the $3.1 trillion surplus accruing in the final five years, any new tax cuts or spending proposals will be forced to be phased-in if we are to preserve the Social Security and Medicare surpluses. Indeed, key provisions of the recent Bush tax proposal, including the marginal rate reductions, are phased-in.

Accordingly, given Chairman Greenspan's suggestion, I believe it would be prudent for the Congress to enact a trigger that links future tax cuts and spending increases to specific targets for debt reduction. Such a proposal would ensure that all ''surplus reducing actions'', both tax cuts and spending increases, are contingent on actual fiscal performance.

Consistent with Chairman Greenspan's proposal, I worked with Senator BAYH in developing a set of principles underlying a trigger mechanism, and joined in introducing these principles in a bipartisan, bicameral manner last month. The three-point principles we developed, and that were introduced with a total of 11 bipartisan cosponsors in the Senate, were as follows:

First, long-term, surplus-reducing actions adopted during the 107th Congress should include a ''trigger'' or ''safety'' mechanism that links the phase-in of such proposals to actual budgetary outcomes over the coming ten years;

Second, the trigger will outline specific legislative or automatic actions that shall be taken if specific levels of public debt reduction are not achieved;

Third, the trigger will only be applied prospectively and not repeal or cancel any previously implemented portion of a surplus-reducing action. In addition, enactment of the trigger will not prevent Congress from passing other legislation affecting the level of federal revenues or spending should future circumstances dictate such action.

Ultimately, we believe the adoption of such a trigger mechanism will ensure that fiscal discipline and debt reduction remain our top priorities as the projected surplus is designated for various purposes during the months ahead. Ultimately, if the surpluses materialize as projected, the trigger would have absolutely no impact on any tax or spending proposals enacted during the 107th Congress. But if they do not, the trigger will provide an added level of fiscal discipline that will prevent a return to annual budget deficits and increased federal debt.

Given the fact that, only a few weeks ago, some argued that a trigger was essentially ''dead,'' I would like to thank Chairman DOMENICI for agreeing to include these principles in the budget resolution that he planned to offer on the floor. Unfortunately, due to a ruling by the Parliamentarian, I understand that these and other provisions—including the Medicare Lock-box and the tax cut reconciliation instructions—were subsequently removed.

While the removal of the trigger principles from the Senate budget resolution is a disappointment, I am pleased that momentum for this idea is clearly growing. Not only were these principles nearly part-and-parcel of this year's budget resolution, but Senator BAYH and I are now in the process of converting these principles into an actual legislative mechanism—and I know that other members are seeking to craft their own mechanisms.

By protecting Social Security and Medicare surpluses, buying down debt, providing substantial funds for a new Medicare prescription drug benefit, enhancing funding for shared priorities such as education and defense, and only then cutting taxes, I believe the Senate budget resolution deserves strong support.

Ultimately, while members from either side of the aisle may disagree with specific provisions in this resolution, the amendment process we are now undertaking provides each of us with the opportunity to offer or support changes that better reflect our priorities. Furthermore, the simple fact is that this is a budget framework, or ''blueprint'', that establishes parameters and priorities, but is not the final word on these individual decisions. Rather, specific spending and tax decisions will initially be made in the Appropriations and Finance Committees, and ultimately by members on the floor.

Therefore, I am hopeful that amendments offered to this framework do not harm the broad and reasoned parameters that have been set, and commend the Chairman DOMENICI, again, for his efforts in crafting this balanced resolution.

Mr. ROCKEFELLER. Mr. President, earlier today I filed an amendment to the Budget Resolution to increase funding for the Federal Bureau of Investigation by $39 million a year, adjusted for inflation. As a new member of the Senate Select Committee on Intelligence, and as a Senator representing a rural state that has encountered FBI staffing shortfalls for

many years, I believe it is imperative that among our national budget priorities we include adequate funding to address the threat of international terrorism and the spread of urban crime to our rural towns and counties.

In the past few years, Congress has increased the number and scope of federal criminal laws, thereby increasing the responsibilities of the FBI, as well as other federal law enforcement agencies. Because of these changes, and the assistance and technical expertise these agencies give to local law enforcement agencies throughout the country, federal law enforcement resources have been stretched thin. In the Fiscal Year 2001 Commerce-State-Justice Appropriations process, we recognized the need to keep the FBI fully staffed, and we required the Bureau to fully fund salaries and benefits for all authorized ''workyears'' for special agents and support staff. In order to do this, Director Freeh and his staff were required to reprogram $42 million from the agency's equipment and infrastructure accounts to satisfy this need.

Given the expanded responsibilities of the Bureau, this type of ''robbing Peter to pay Paul'' would be troubling enough. However, the budgetary gymnastics required of the FBI to get through this fiscal year is just a small example of a much more dangerous trend in our funding of federal law enforcement agencies.

Unless we address this funding issue, by the end of the current fiscal year the FBI will have suffered the net loss of 521 special agents since the beginning of Fiscal Year 2000. In preparation of its budget request for Fiscal Year 2002, Director Freeh determined that in order to maintain salary and benefit levels, the Bureau would need to reduce its staffing by 336 agents and 521 support staff. This force reduction will require the cancellation of almost all of the New Agent training classes for the remainder of this year, and may put in jeopardy another 182 special agent positions and 248 support positions planned for Fiscal Year 2002.

This situation is simply untenable for rural states like my home state of West Virginia. After discussions with our U.S. Attorneys over the past few years, I have come to share their frustration over difficulties in carrying out law enforcement activities in West Virginia because of a shortage of resident agents in all of the federal agencies operating in the state. Having too few federal agents in West Virginia has affected numerous federal criminal investigations and prosecutions. Joint state-federal drug interdiction operations in West Virginia, although successful, require a level of participation by federal law enforcement agencies that current staffing levels sometimes prevent.

Perhaps in the past, it made sense to concentrate our federal agents in big cities. Today, unfortunately, many of the crime problems of our cities have infected rural America. Sadly, West Virginia is not immune from this contagion. I believe the funding increase I have outlined here is absolutely necessary to provide West Virginia and other rural states with the federal law enforcement resources they will need to investigate, fight, and hopefully, prevent crime.

Mr. President, as the Ranking Member of the Committee on Veterans Affairs, I must voice my concern about the level of funding for veterans' health care and benefits proposed in the Senate Concurrent Resolution on the FY 2002 Budget.

If the Department of Veterans Affairs is funded at the level that the Budget Resolution provides, a $1 billion increase over the FY 2001 appropriation, which might appear generous at first glance, we can expect VA to eliminate staff, delay providing health care and benefits, and slash vital programs.

Much, if not all, of this proposed increase would be consumed in merely overcoming inflation in the costs of providing medical care. It simply will not meet VA's needs in the next fiscal year. As we strive to cut taxes in a responsible manner, we must also anticipate and address the concerns of the men and women who served this Nation.

The alliance of veterans service organizations that authors the Independent Budget for Fiscal Year 2002, AMVETS, the Disabled American Veterans, the Paralyzed Veterans of America, and the Veterans of Foreign Wars, rightly concluded that ''more must be done to meet the increasing needs of an aging veteran population, adapt to the rising cost of health care, enhance and facilitate benefits delivery, and maintain the continuity of funding for VA programs as a whole.''

The Budget Resolution before us would not allow us to fulfill those obligations. We must ensure VA a level of funding that will minimize the impact of inflation, fund existing initiatives, and allow the system to move forward in the ways we all expect.

Urgent demands on the VA health care system make increased funding essential. The landmark Veterans Millennium Health Care and Benefits Act of 1999 significantly expanded VA noninstitutional long-term care, which for the first time is available to all veterans enrolled with the VA health care system. As we contend with the dilemma of developing long-term care for all Americans, VA will begin this effort with our Nation's veterans. The Congressional Budget Office estimates that the VA noninstitutional extended care program will cost more than $400 million a year. We must supply adequate funds to fulfill this legislative mandate.

The Millennium Act also ensures emergency care coverage for veterans with no other health insurance options. Necessity demands this costly provision: nearly 1 million veterans enrolled with the VA are uninsured and in poorer health than the general population. Although this new benefit has not yet been either implemented or publicized, claims are already mounting.

Medical inflation and wage increases, factors beyond VA's control, have been estimated to devour nearly $1 billion of VA's budget annually. At the same time, more and more veterans are turning to the VA for health care. In my own state of West Virginia, the number of veterans seeking care from VA has increased, despite a declining total number of veterans statewide. As an example, the Martinsburg VAMC saw its new enrollees increase by 24.7 percent over the last 2 years. Rapidly expanding enrollment at all four West Virginia VA medical centers has jeopardized their ability to provide high quality care in a timely fashion. Unfortunately, similar examples can be found throughout the Nation.

Between new initiatives, long-term care and emergency care coverage, and simply maintaining current services, we must secure an increase of $1.8 billion for health care alone.

Unfortunately, maintaining current services may not be enough to ensure that VA can meet veterans' health care needs. The aging veterans population faces chronic illnesses and newly recognized challenges, such as the disproportionate burden of hepatitis C, that will further strain VA facilities. We must anticipate the difficulties of treating complex diseases and ensure that we do not neglect the needs of veterans with multiple, coincident medical problems.

If we simply maintain current services, can we expect VA to restore the capacity for PTSD and spinal cord injury treatment to the 1996 legislatively mandated level? In West Virginia, many veterans not only wait months for specialty care, they have to travel hundreds of miles to get it. We can depend on community outpatient clinics to increase veterans' access to primary health care, but we must also ensure that the many veterans who require more intensive, specialized services can turn to adequately funded inpatient programs.

VA research not only contributes to our national battle against disease, but enhances the quality of care for veterans by attracting the best and brightest physicians. The Budget Resolution allows, at best, for a stagnant research budget. Not only will this slow the search for new and better medical treatments, but it could weaken efforts to protect human subjects in VA-sponsored studies. As increase of $47.1 million will be required merely to offset the costs of inflation and to monitor compliance with increasingly stringent research guidelines.

Savings may be gained through more resourceful management of VA hospitals and clinics, a possibility that VA is pursuing through its Capital Asset Realignment and Enhancement Studies, CARES. In the meantime, efficiencies should not come at the expense of veterans who turn to the VA

health care system for needed treatment, nor should VA neglect essential repairs and maintenance of its infrastructure while awaiting the outcome of the CARES process. Accommodating the backlog of urgently needed construction projects will require an increase of $280 million. A shortsighted focus on immediate gains, by delaying essential projects or neglecting existing facilities, may compromise patient safety and prove even more costly to VA and veterans in the long run.

The Veterans Benefits Administration also faces challenges that require additional funding for staffing. One of these challenges results from an aging workforce. Projections suggest that 25 percent of current VBA decisionmakers will retire by 2004. These losses would be in addition to the staff that has already left service. It takes 2–3 years to fully train a new decisionmaker. Therefore, it is critical that VBA hire new employees now to fully train them before the experienced trainers and mentors have retired.

In addition to this looming succession crisis, extensive new legislation enacted in 2000 will severely affect VBA's workload. Sweeping enhancements to the Montgomery GI Bill are expected to double VA's education claims work. New legislation reestablishing the ''duty to assist'' veterans in developing their claims, regulations presumptively connecting diabetes to Agent Orange exposure in Vietnam veterans, and new software systems intended to improve the quality of decisionmaking have severely affected VBA's workload and slowed output. West Virginia veterans are already receiving letters from the VA regional office warning them to expect a 9–12 month delay for even initial consideration of their new claims.

If VBA is unable to hire new staff, the increasing backlog of claims, which is already unacceptable, would reach abominable levels. Without an increase in staffing, the backlog of claims is expected to grow from the current 400,000 claims, up from 309,000 in September 2000, to 600,000 by March 2002. VBA will need a minimum increase of $132 million to acquire the tools, staffing and technology, to avert this escalating disaster.

The mission of the National Cemetery Administration, NCA, providing an honorable resting place for our Nation's veterans, is becoming more difficult as we face the solemn task of memorializing an increasing number of World War II and Korean War veterans. It is estimated that 574,000 veterans died last year. The aging of the veterans population is placing additional demands on NCA in interments, maintenance, and other operations. VA has attempted to meet this demand by opening four cemeteries over the last 2 years and planning construction of the six new cemeteries authorized by Congress in 1999. It is estimated that an increase of $21 million will be required to develop these cemeteries.

Increases are also required to maintain the VA's National Shrine Commitment. We must preserve our national cemeteries so that they do not dishonor those who died serving their country. Sunken graves, damaged headstones, and even structural deficiencies cannot be tolerated. We applaud VA's commitment to this initiative and encourage VA to continue the project. In order to rise to this task and operate its current facilities, NCA will require an increase of at least $13 million for a total appropriation of $123 million.

While we consider the best way to cut taxes responsibly, we mustn't lose sight of our obligations. We all need to agree on how much should go to tax cuts and how much should be saved to strengthen Medicare, invest in education, and fully address the needs of the men and women who have served our country. I anticipate that during the debate on the budget resolution, the Senate will be asked to increase the funding for VA. I urge you all to remember our nation's promise to our veterans and their families as we deliberate on the critical priorities that will shape their future.

Mr. DOMENICI. Mr. President, I am very pleased that by adopting the budget resolution today, the United States Senate has endorsed the President's recent proposal that would provide mandatory funding for the now-bankrupt Radiation Exposure Compensation trust fund.

We passed the Radiation Exposure Compensation Act in 1990 to provide fair and swift compensation for those uranium miners, Federal workers, and downwinders who had contracted certain debilitating and too often deadly radiation-related illnesses. These individuals helped build our nation's nuclear arsenal and it is unconscionable that there is no funding to indemnify them for their sacrifice and suffering.

Since last May, those who have had their claims approved are receiving only an IOU from the Justice Department. Today we have taken the first step in rectifying this injustice.

The Bush proposal is within the defense function of the budget and would be a declining expenditure from about $100 million in 2002 to less than $5 million at the end of the decade. Total mandatory expenditures budgeted for this program is assumed to be $710 million over the next 10 years. In addition, to our positive actions today, I have introduced, along with Senator HATCH, legislation that would provide the appropriate funding for the Radiation Exposure Compensation trust fund. We are seeking our colleagues support in moving this legislation expeditiously through the Senate.

It is vital that we act quickly to ensure that these victims who gave so much for our nation are never again left holding nothing more than a government IOU.

Mr. REID. Mr. President, I rise today to express my sincere gratitude that the Senate agreed to and accepted my amendment late last evening which is of vital importance to our Nation's veterans.

This amendment will address a resource requirement for a bill that I introduced on January 24, 2001, S. 170, the Retired Pay Restoration Act of 2001, which incidently has over 45 cosponsors and bipartisan support.

The list of cosponsors on S. 170 include the distinguished majority and minority leaders, the chairman and ranking member of the Armed Services Committee. I also would like to recognize Senator HUTCHINSON for his assistance on this legislation.

This amendment will provide funding to correct a 110-year-old injustice against more than 450 thousand of our nation's veterans.

We have repeatedly forced the bravest men and women in our Nation—retired, career veterans—to essentially forgo receipt of a portion of their retirement pay if they happen to also receive disability pay for an injury that occurred in the line of duty.

This requirement discriminates unfairly against disabled career soldiers by fundamentally requiring them to pay their own disability compensation.

S. 170 will permit retired members of the Armed Forces who have a service connected disability to receive military retirement pay while also receiving veterans' disability compensation.

We are currently losing over one thousand WWII veterans each day. Every day we delay acting on this legislation means that we have denied fundamental fairness to thousands of men and women. They will never have the ability to enjoy their two well-deserved entitlements.

This amendment will ensure that we have the resources necessary to properly fund this legislation and honor those who served our Nation—our veterans.

Recently, President Bush stated that he would support senior veterans.

I urge President Bush to do just that and not to leave our veterans behind. Our veterans have earned both of these entitlements—now is our chance to honor their service to our Nation.

We need to be fiscally responsible and protect social security, provide a prescription drug benefit, fund education, ensure a strong and stable military, continue to pay down the debt, and to ensure the funding is available for our Nation's veterans.

The current prosperity of this nation can partially be attributed to the success of past wars and our Nation's veterans. I am unwilling to jeopardize the domestic dividends that will materialize over the next generation for the health and welfare of our veterans and their families.

We have made a commitment to these great Americans. We must ensure that our Nation's veterans receive the dividends of our current surplus.

Accepting the amendment I offered last evening is simply righting the

wrong. Our veterans waited silently when there was no money to pay for this legislation, but today there is a budget surplus which provides the perfect opportunity to honor their service to this great Nation.

Mr. CONRAD. Mr. President, we can go to final passage.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are finished. We are ready to vote on final passage. I do not believe after all these long hours that anyone wants to hear a speech from anyone, regardless of how eloquent the speaker.

Mr. WELLSTONE. Mr. President, I really would like to hear Senator DOMENICI for a while.

Mr. DOMENICI. He is just one of the few, Mr. President. In any event, we have nothing further. The next vote is final passage.

The PRESIDING OFFICER. Are the yeas and nays requested?

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

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

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

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

The amendment (No. 170), as amended, was agreed to.

The PRESIDING OFFICER. The question is on agreeing to H. Con. Res. 83, as amended.

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

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 65, nays 35, as follows:

[Rollcall Vote No. 86 Leg.]

YEAS—65

Allard	Ensign	McCain
Allen	Enzi	McConnell
Baucus	Feinstein	Miller
Bayh	Fitzgerald	Murkowski
Bennett	Frist	Nelson (NE)
Bond	Gramm	Nickles
Breaux	Grassley	Roberts
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith (NH)
Carnahan	Hutchinson	Smith (OR)
Carper	Hutchison	Snowe
Chafee	Inhofe	Specter
Cleland	Jeffords	Stevens
Cochran	Johnson	Thomas
Collins	Kohl	Thompson
Craig	Kyl	Thurmond
Crapo	Landrieu	Torricelli
DeWine	Lincoln	Voinovich
Domenici	Lott	Warner
Edwards	Lugar	

NAYS—35

Akaka	Dorgan	Mikulski
Biden	Durbin	Murray
Bingaman	Feingold	Nelson (FL)
Boxer	Graham	Reed
Byrd	Harkin	Reid
Cantwell	Hollings	Rockefeller
Clinton	Inouye	Sarbanes
Conrad	Kennedy	Schumer
Corzine	Kerry	Stabenow
Daschle	Leahy	Wellstone
Dayton	Levin	Wyden
Dodd	Lieberman	

The concurrent resolution (H. Con. Res. 83), as amended, was agreed to.

The VICE PRESIDENT. On this vote, the yeas are 65, the nays are 35. The House Concurrent Resolution No. 83, as amended, is agreed to.

The concurrent resolution (H. Con. Res. 83), as amended, was agreed to.

Mr. LOTT. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

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

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

KLAMATH BASIN WATER CRISIS

Mr. SMITH of Oregon. Mr. President, the Senate has just completed a long week debating a budget that I believe will help the American people in many ways, and I am proud of that work. But there are thousands of people in southern Oregon who are today getting some very bad news: the water on which the future of their farms and families depend will not be delivered this year.

As I speak, my state is currently experiencing its worst drought in seventy-seven years. And while the lack of irrigation water is not completely the fault of the federal government, the situation has been exacerbated by the actions of federal agencies, primarily the Fish and Wildlife Service and the National Marine Fisheries Service, that have authority over the quantity of water provided to the farmers and ranchers of the Klamath Basin. In the midst of this natural disaster, these two agencies have issued new requirements that increase lake levels in the Upper Klamath Lake as well as streamflows down the Klamath River. These edicts were issued in spite of admissions by Bureau of Reclamation officials that the proposed water levels are not attainable this year, even if there are no agricultural deliveries.

For eight years, the Clinton Administration waged war on hard-working people who depend on natural resources to sustain their families and their communities. Sharp reductions in timber sales and the growth of onerous regulations has already weakened the economy of the Klamath Basin. Now, without irrigation water the economy stands to lose almost $144 million. This cannot be allowed to happen.

When President Bush was elected, the people of Southern Oregon breathed a collective sigh of relief, believing that help was on the way. And although this decision was set in motion by the prior administration, my constituents cannot help but wonder if better days are yet to come. Unfortunately, one thing they do know for sure is that worse times are coming this year. I do not doubt the President's dedication to farmers, ranchers, and others in the wide rural expanses throughout this land. But I do understand that many of the people in the Klamath Basin cannot help but question this administration's commitment to their needs.

While I appreciate the intermediate assistance the administration has offered, I have to again ask the President to reexamine the draconian orders that have turned a difficult drought into a crisis of immense proportions. In the meantime, I promise the people of the Klamath Basin that I will continue to fight for their needs and for the needs of their families until this dire mistake is rectified.

SUPPORT FOR THE HOPE FOR CHILDREN ACT

Mr. JOHNSON. Mr. President, adoption is a rewarding, but often expensive and frustrating option for many South Dakota families. As a member of the bipartisan ''adoption caucus'' in the Senate I have tried to make adoption a more viable option for loving parents. During the past couple of years, we have made major improvements in adoption policy including legislation: giving parents of adopted children the same time-off rights as those who give birth; outlawing racial or ethnic discrimination in adoption; automatically giving foreign-born adoptees American citizenship; and implementing international agreements to outlaw trafficking in children and promoting international adoption.

These laws have resulted in an increase of adoptions nationwide by cutting much of the paperwork and bureaucracy of the adoption process. Yet there are still almost half a million kids in foster care nationwide, and a large number of those are minorities and kids with special needs. There are even more families who want to adopt, but simply can't afford to. More needs to be done. For too many South Dakotans, adoption is not an option because of the high costs associated with it. By some estimates, an adoption can cost upwards of $25,000 in fees, paperwork, and legal assistance.

I am pleased to be an original cosponsor of bipartisan legislation called the Hope for Children Act. This bill will help South Dakotans choose adoption by increasing the current tax credits for non-special needs children and special needs children to $10,000. This

bill will also make the tax credit permanent, adjust the credit for inflation, and increase the income cap for families to be eligible for the tax credit.

I have talked with a number of South Dakotans who have adopted children with special needs, and I discovered that changes needed to also be made to the types of adoption expenses that can be credited. For example, families adopting a special needs child may have to buy a wheelchair or special van for the adopted child with a physical disability. Counseling may also be needed for the family to cope with the extraordinary challenges of a child with special needs. Instead of being limited to the adoption expenses that the Internal Revenue Service decides are allowable, these families would be entitled to the full credit and exclusion under the Hope for Children Act.

South Dakota families will receive tax relief by the end of this year. The amount that each family gets will be the result of a spirited, yet constructive debate that will take place here in Congress. Throughout this discussion, I will continue to emphasize the need to make changes in our tax code that encourage new and growing South Dakota families through adoption.

SINKING OF THE F/V ''ARCTIC ROSE'' OFF THE COAST OF ALASKA

Mr. BURNS. Mr. President, I would like to take a moment to make note of the 15 people who have lost their lives in the waters off the coast of Alaska. On Tuesday, April 2 the U.S. Coast Guard received a distress signal from the vessel *Arctic Rose*. The *Arctic Rose* sank with all hands on board in the Bering sea, some 200 miles northwest of St. Paul Island. I would like to join my colleagues from the home states of these people to recognize those whose lives were lost in this tragic event, and would ask that their names be entered into the record.

Aaron Brocker, Jimmy Conrad, Robert Foreman, Edward Haynes, G.W. Kandris, Kenneth Kivlin, Jeff Meinche, and Mike Olney, all from Washington. Kerry Egan from Minnesota. Angel Mendez from Texas. Michael Neureiter from California. Dave Rundall from Hawaii. Shawn Bouchard and James Mills from Montana. I am sure I join with all members of Congress and express our sincerest condolences to the families of these men.

Mrs. MURRAY. Mr. President, I rise today to express my deep condolences to the family and friends of the 15 men who were aboard the *Arctic Rose*, which was lost at sea on April 2, 2001. On March 31, 2001, the trawl vessel left St. Paul Island, AK to fish for flathead sole in the Bering Sea. The boat was supposed to be at sea for about two weeks.

Sometime during the early morning of April 2, however, something happened that caused the *Arctic Rose* to go down. We still don't know why the fishing vessel sank, but we know that 15 men lost their lives in pursuit of their livelihoods. Nine of these men were from Washington state, and all of them leave behind families, friends and coworkers. My thoughts are with the crewmen's loved ones, who are only beginning to cope with this tragedy. I also extend my condolences to the owner of the vessel, Mr. David Olney, to the employees of Arctic Sole Seafood, Inc., and to everyone who is part of this important industry.

Most people are aware that fishing in the seas off Alaska is a dangerous occupation, but it still is a major shock when lives are lost at sea. We must continue our efforts to improve the safety of crews fishing in the Bering Sea and the Gulf of Alaska. One of the ways to improve safety is to allow the creation of individual fishing quotas, which guarantee catch to fishermen. This allows fishermen to wait for better weather before going out to sea. I have consistently supported using quotas as one tool to manage fisheries.

Many of the Alaskan fishing seasons take place during the fall, winter and spring, when the weather is often severe. This business is inherently dangerous. The *Arctic Rose* had survival suits on board, but it seems the ship went down too quickly for most crewmen to even put them on. Nor were they able to get to the life raft. We should continue our efforts to improve the safety of commercial fishing in Alaska, and throughout the country, but I doubt we will ever be able to completely eliminate the hazards.

The loss of the *Arctic Rose* reminds us of the risks commercial fishermen take every day to provide seafood enjoyed by so many people throughout the Northwest and world. Let's not take their work for granted. While we mourn the loss of the *Arctic Rose*, we should also thank the men and women who face these dangers every day to bring food to families across our country.

IMPROVED UNITED STATES-INDIA RELATIONS

Mr. TORRICELLI. Mr. President, I rise today to welcome to our nation's capital the Honorable Jaswant Singh, Minister of External Affairs and Defense for the Republic of India. Minister Singh's visit will be an opportunity to reaffirm the warm relations between our countries as a new Administration gets established in Washington. The Minister's visit to Washington will include meetings with the Secretary of State and the Secretary of Defense, as well as the National Security Advisor.

Minister Singh's visit comes at a time of major transition in U.S.-India relations. Last month, Washington welcomed the arrival of the new Indian Ambassador to Washington, Mr. Lalit Mansingh. Ambassador Mansingh succeeds Ambassador Naresh Chandra, who was well known and admired by many in Congress during his tenure. Ambassador Mansingh presented his credentials to Secretary of State Powell on March 23, and the two discussed a wide range of issues concerning the future of U.S.-India relations. Secretary Powell reiterated President Bush's intention to ''build on the good work done in the past.''

I hope that the message from the new Administration to Mr. Singh will be one of support for building on the progress in U.S.-India relations that we have seen for much of the past decade. After years of being treated as a relatively low priority, the U.S.-India relationship has, since the early 1990s, steadily moved to a higher priority on the American foreign policy agenda.

President Clinton's Administration recognized the importance of India, as a trading partner, as a force for stability in Asia, and as a leader for democracy and prosperity in the developing world. The Clinton Administration also recognized the wonderful resource that the Indian-American community, over a million strong, represents in building closer ties between the world's two largest democracies.

I hope that the Bush Administration will continue this progress. The early signs are that the Administration recognizes the significance of India to the United States. In announcing the nomination of Robert D. Blackwill as his choice to be the next Ambassador to India, President Bush spoke of ''the important place India holds in my foreign policy agenda.''

I look forward to reviewing Mr. Blackwill's nomination in my role as a member of the Senate Foreign Relations Committee. If Mr. Blackwill is confirmed, he would succeed U.S. Ambassador Richard Celeste, the former Governor of Ohio. Ambassador Celeste, who presented his credentials in November 1997, has served during an eventful time in U.S.-India relations. In the past two months, as India recovers from the devastating earthquake that struck the state of Gujarat on January 26, Ambassador Celeste has done an excellent job of helping to coordinate the American aid effort. As he prepares to leave New Delhi, I want to congratulate Ambassador Celeste for a job well done.

In the past year, with President Clinton visiting India in March and Prime Minister Atal Behari Vajpayee visiting the United States in September, the level of friendship and partnership between India and the United States is perhaps the highest it has ever been. During last year's summits between President Clinton and Prime Minister Vajpayee, the United States and India signed a series of agreements to accelerate bilateral cooperation in a wide range of areas. The U.S.-India Vision Statement of March 2000, signed in New Delhi, pledged cooperation on counterterrorism. The two countries also pledged to cooperate on issues of nuclear non-proliferation. That agreement also established the U.S.-India

Financial and Economic Forum, the U.S.-India Commercial Dialogue, and the U.S.-India Working Group on Trade. Minister Singh and then Secretary of State Madeleine Albright signed a joint statement on cooperation in energy and environment in a ceremony at the Taj Mahal in March 2000.

This week, President Clinton has returned to India to visit the State of Gujarat, scene of January's devastating earthquake that left an estimated 18,000 people dead, and thousands of people homeless.

While the trend in relations between the United States and India has been positive, there is still a great deal of work to be done. The visit to Washington by External Affairs and Defense Minister Singh, just a few months into the new Administration, offers an opportunity to build in the work of the past few years, while charting a new course for even closer ties between our two countries.

ADDRESSING DOMESTIC VIOLENCE IN SOUTH DAKOTA AND AROUND THE COUNTRY

Mr. JOHNSON. Mr. President, domestic violence is often the crime that victims don't want to admit and communities don't want to discuss. However, almost 15,000 domestic violence victims in South Dakota last year secured help from the Department of Social Services. This represents a low estimate of the number of South Dakotans who are victims of domestic violence, as many victims fail to seek help.

Since enactment of the Violence Against Women Act in 1994, the number of forcible rapes of women have declined, and the number of sexual assaults nationwide have gone down as well. Despite the success of the Violence Against Women Act, domestic abuse and violence against women continue to plague our communities. Consider the fact that a woman is raped every 5 minutes in this country, and that nearly one in every three adult women experiences at least one physical assault by a partner during adulthood. In fact, more women are injured by domestic violence each year than by automobile accidents and cancer deaths combined. These facts illustrate that there is a need in Congress to help States and communities address this problem that impacts all of our communities.

Last year, I was pleased to join the successful effort to reauthorize the 1994 Violence Against Women Act. In addition to reauthorizing the provisions of the original Violence Against Women Act, the legislation improves our overall efforts to reduce violence against women by strengthening law enforcement's role in reducing violence against women. The legislation also expands legal services and assistance to victims of violence, while also addressing the effects of domestic violence on children. Finally, programs are funded to strengthen education and training to combat violence against women.

This year, I am cosponsoring legislation, S. 540, that would establish a permanent Violence Against Women Office in the Department of Justice. This bill would guarantee that the office will continue its work into future administrations and ensure that the Congress' goals regarding domestic violence, sexual assault, and stalking will be carried out.

As a State lawmaker in 1983, I wrote one of the first domestic violence laws in South Dakota which dedicated a portion of marriage license fees to help build shelters for battered women. I was also a cosponsor of the original Violence Against Women Act in 1990 in the House of Representatives. Even at that time, many people denied that domestic violence existed in our state. Finally, in 1995, the President signed legislation to strengthen federal criminal law relating to violence against women and fund programs to help women who have been assaulted.

Since the Violence Against Women Act became law, South Dakota organizations have received over $6.7 million in federal funding for domestic abuse programs. In addition, the Violence Against Women Act doubled prison time for repeat sex offenders; established mandatory restitution to victims of violence against women; codified much of our existing laws on rape; and strengthened interstate enforcement of violent crimes against women.

The law also created a national toll-free hotline to provide women with crisis intervention help, information about violence against women, and free referrals to local services. Last year, the hotline took its 300,000th call. The number for women to call for help is: 1–800–799–SAFE.

I am hopeful that, with my support, the Senate will approve S. 540 this year so that we can continue fighting domestic abuse and violence against women in our state and communities.

HONORING THE DOOLITTLE RAIDERS

Mr. JOHNSON. Mr. President, I rise today to commend the Doolittle Raiders on the 60th anniversary of their memorable flights.

The surprise Japanese raid of Pearl Harbor was just the beginning of a series of bad news for Americans at the beginning of World War II. In a period of months, the Japanese had invaded and conquered land stretching from Burma to Polynesia. The United States badly needed a boost in morale. The answer was the Doolittle Raid.

The concept was simple: A Navy task force would take 15 B–25s to a point about 450 miles off of Japan where they would be launched from a carrier to attack military targets at low altitude in five major Japanese cities, including the capital city of Tokyo. The planes would then fly to a base in China where they would join the China-Burma-India theater. It was the implementation of the plan that made the men involved in the raid heroes.

On April 18, 1941, sixteen flights of B–25s, one captained by South Dakota native son Capt. Donald Smith, left the deck of the U.S.S. *Hornet*, bound for Tokyo. But the Japanese had seen the Americans coming, and the planes were forced to take off from the *Hornet* at least 650 miles from the Japanese coast. The planes would not have enough fuel to make it to China.

All of the planes made their bombing runs on their respective cities, and then turned westward toward China. One crew, with not enough fuel to make it to China, landed in Russia and were prisoners of war for over a year. Eleven of the other planes that reached China faced terrible weather and empty tanks. They proceeded inland on instruments and bailed out once their fuel tanks reached zero. The remaining four pilots crash-landed their aircraft. Chinese aided the Americans in reaching their base, and more than a quarter-million of the Chinese were subsequently killed by the Japanese for their suspected help. Sixty-four of the ''Raiders'' eventually made it to the base in China. Others were captured and tortured, or died while ejecting their planes.

The Doolittle mission was the first good news from the Pacific front, and was a huge boost to American morale. It also devastated the Japanese people, who had been told by their leaders that their homeland could never be attacked.

In Belle Fourche, SD, on April 18, South Dakotans will be remembering the 60th anniversary of this daring raid. I commend the Doolittle Raiders, and all American veterans, for they are truly America's heroes. Our country must honor its commitments to veterans, not only because it is the right thing to do, but because it is the smart thing to do.

I will continue to lead efforts to ensure that our nation's military retirees and veterans receive the benefits they were promised years ago. While I am pleased with some improvements in military health care funding passed into law last year, I am concerned that more needs to be done. Assuredly, I will continue to fight for military retirees and veterans programs throughout this session of Congress.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, April 5, 2001, the Federal debt stood at $5,772,523,327,634.26, Five trillion, seven hundred seventy-two billion, five hundred twenty-three million, three hundred twenty- seven thousand, six hundred thirty-four dollars and twenty-six cents.

One year ago, April 5, 2000, the Federal debt stood at $5,758,941,000,000, Five trillion, seven hundred fifty-eight billion, nine hundred forty-one million.

Five years ago, April 5, 1996, the Federal debt stood at $5,138,150,000,000, Five trillion, one hundred thirty-eight billion, one hundred fifty million.

Ten years ago, April 5, 1991, the Federal debt stood at $3,468,754,000,000, Three trillion, four hundred sixty-eight billion, seven hundred fifty-four million.

Twenty-five years ago, April 5, 1976, the Federal debt stood at $595,781,000,000, Five hundred ninety-five billion, seven hundred eighty-one million, which reflects a debt increase of more than $5 trillion, $5,176,742,327,634.26, Five trillion, one hundred seventy-six billion, seven hundred forty-two million, three hundred twenty-seven thousand, six hundred thirty-four dollars and twenty-six cents during the past 25 years.

ANIMAL DISEASE RISK ASSESSMENT, PREVENTION, AND CONTROL ACT

Mr. BURNS. Mr. President I rise today as one of the proud co-sponsors of the Animal Disease Risk Assessment, Prevention, and Control Act of 2001.

This bill will go a long way toward offering the American public and producers the vital information necessary to begin to understand the economic impacts associated with Hoof and Mouth Disease and Bovine Spongiform Encephalopathy (BSE). The risks associated with these diseases to the public health will also be reviewed.

In the United states, we take great pride and have worked diligently to maintain healthy herds. We have spent years creating our breeding programs and ensuring the animals we produce are the finest in the world. This bill will help ensure that effort will not be jeopardized.

We need to create a solid unified front to ensure that all the information available on these diseases is readily accessible. This bill will not only make that knowledge available, it will provide Congress with the information necessary to move forward quickly with any other type of action that is required. This bill will provide an important tool that will allow us to continue producing the safest meat supply in the world.

I look forward to working with Senators HATCH and HARKIN on this very important piece of legislation.

RETIRED PAY RESTORATION ACT

Mr. BURNS. Mr. President, I rise today in support of S. 170, the Retired Pay Restoration Act of 2001.

S. 170 permits retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reasons of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

Currently, a retired military member will have his or her retirement pay offset dollar for dollar when they receive disability compensation from the Veterans Administration. This law is 110 years old and it is long overdue for change.

The military retirement pay is earned over one's career for longevity, while the VA disability compensation is for a different reason altogether—sustaining an injury while in the service. These are two completely separate issues and military members have suffered over the years by having their retirement pay reduced. The Retired Pay Restoration Act of 2001 will correct this deficiency.

We owe our freedom to those who wore our country's military uniforms. We must honor our commitment to those who served in the military. This year is the time to overturn the provision in the 110 year-old law that prohibits military retirees from receiving concurrent receipt of full military retirement pay along with VA disability compensation. Entitling these people to receive both retirement pay and disability compensation without any deduction is the right thing to do It is not a hand out; it is something they deserve and earned for serving our country honorably.

I encourage my colleagues to support S. 170.

ADDITIONAL STATEMENTS

DEATH OF JOHN C. HOYT OF MONTANA

• Mr. BURNS. Mr. President, I would like to take a moment to make note of the recent death of a great man and fellow Montanan.

Montana lost one of its proudest native sons on Monday, March 26, 2001. John Hoyt died at the Benefis Hospital in Great Falls, during a heart attack catheterization procedure. He was 78.

In Shelby, June 28, 1922, a fascinating and adventurous and truly incredible life began. John's parents had come to Shelby from Iowa. The family's background was in farming and ranching. John's father, a lawyer, raised his family in Shelby during the Great Depression. John spent summers back in Iowa, during the hard times, without modern equipment, without air-conditioning and using a real pitchfork to gather hay in the field and pitch it into the hay mow for the winter. All who knew John, knew those thick hands and fingers of his proved he was no stranger to hard physical work.

John began his college career, on scholarship, at Drake University in Iowa. But, by his own admission, ''too much fun'' brought that educational experience to an end. Perhaps that was meant to be, because leaving Drake brought John home to Montana, and the University in Missoula, a place where his heart and his loyalty and his support never again left. A true Grizzly is now at rest. But his presence will be forever felt on that campus and in the stadium in Box 102B down on the north end. John will still be cheering on his beloved Grizzlies. He might even give Coach Glenn ''a great play'' from wherever John is watching!

World War II broke out while John was in undergraduate school at the U of M. The day after Pearl Harbor he joined the Air Force. His eyesight was not good enough to allow him to be the fighter pilot he aspired to be. He proudly became a navigator on a B–24 as a Second Lieutenant. In August of 1944, on a mission between Italy and Vienna, in a fierce air battle involving hundreds of airplanes, John's was shot down by German fighters. The bomber, named the Jolly Roger, spiraled to the ground and only John and one other were able to escape. The spiral carried the other crew to their deaths, and John was captured and was in a P.O.W. camp for most of a year before the army of General George Patton liberated him and many of his comrades.

John finished his education after the war. He graduated from the University of Montana Law School in 1948. For the past fifty-three years John Hoyt stamped Montana legal history, beginning in Shelby, typing his own oil field title reports with five sheets of carbon paper, and then centering his practice out of Great Falls and becoming one of the most creative and innovative and persuasive trial lawyers in Montana's history.

John was so proud of the many talented lawyers he practiced with. It was recently stated by legal pundits that while it was not required to have practiced with John Hoyt to sit on the Montana Supreme Court, it did not hurt.

John's current firm, Hoyt and Blewett, is one of the most prominent in Montana. He and his partner, Zander Blewett, have represented Montanans with pride and dignity, and his clashes with the Burlington Northern led to a memento in his office portraying the Burlington Northern logo and inscribed, for John, with the words, ''Any Time is Train Time''!

John had a lifelong passion for agriculture, and established one of the most noted Black Angus ranches in America, the Jolly Roger. He named it after his former comrades in World War II. In the 1990's two bulls that he developed and raised, Juice and Uncle Jim, became important leaders in carcass quality traits throughout the beef industry. Ironically, John's last yearling bull sale was just last Wednesday, March 21. His bull sold to all areas of Montana, several states, and into Canada.

John Hoyt was a gentleman. He had acquaintances that ranged from the most humble to the most powerful of his fellow citizens. All were equally valued by John as friends. He was an outdoorsman who trained hunting dogs and loved bird hunting. His fishing trips that he led friends on in Alaska were, at the very least, memorable. His wit and enthusiasm and his energy

made him the center of any gathering he was ever part of.

John belonged to the Cascade County Bar Association, the Montana Bar Association, the Montana and the American Trial Lawyers Association. John was also an active member of the Montana and American Angus Associations. He was awarded a Lifetime Achievement Citation by the Montana Trial Lawyers, in recognition of his fifty years of distinguished trial practice in Montana.

John is survived by his wife, Vickie, of the Jolly Roger Ranch in Belt; his son, John Richard (Rosemary) of Washington state; his daughter, Mary Lou (Dennis) Sandretto, and his grandchildren, Rachel, Ariel and David Sandretto, all of Georgia; and his sister, Lois Matsler, of Bloomington, Illinois. He is also survived by countless friends and colleagues and acquaintances throughout his beloved Montana. Montana may never know the likes of John Hoyt again. He left Montana for a better place. His generous financial gifts to the University of Montana, both the Athletic Department and the Law School will sustain his legacy for generations that come afterwards. As John would say: Up with Montana—Go Griz!●

TRIBUTE TO DON C. NICKERSON

● Mr. HARKIN. Mr. President, I'd like to take a few minutes to honor Don C. Nickerson for his outstanding work as United States Attorney for the Southern District of Iowa.

Don Nickerson has been a leader in the state of Iowa for thirty years, starting back when he served as Student Body Vice President and President of the Senior Men's Honorary at Iowa State, and as President of the Black Law Students Association at Drake Law School. After graduating from law school, he distinguished himself in community service, private practice, and as an Assistant United States Attorney in the Southern District before being appointed as U.S. Attorney for the district in 1993.

During his years in the U.S. Attorney's Office, Don became known as a passionate and innovative leader. He established the Quad Cities Branch Office of the U.S. Attorney's office—the first ever interagency branch office established in the United States. He also served as Chair of the Health Care Fraud Subcommittee of the Attorney General's Advisory Committee and worked closely with Attorney General Reno to combat health care fraud.

And Don was a personal mentor to Iowa's youth because he knew that reaching out to children early in life goes a long way in preventing them from straying in the future. In fact, Don was instrumental in establishing Camp DEFY—a camp and mentorship program to help kids stay away from drugs, alcohol and tobacco in Iowa.

But Don has never been content to confine his service to the official duties of the U.S. Attorney. He's brought his passion for service to the classroom, serving as an Instructor with Drake University Legal Clinic and Des Moines Area Community College. He's brought it to civic organizations like Partnership for a Drug Free Iowa, the United Way of Central Iowa and the Iowa Commission on the Aging. And he's brought it to professional organizations like the Midwest High Intensity Drug Trafficking Area Demand Reduction Subcommittee of which he was chair and the Iowa State and National Bar Associations.

When I think of the work that Don Nickerson has done for our state and our country, I'm reminded of a phrase from the Old Testament: ''The Law is a light.'' Don Nickerson has worked tirelessly to keep that light shining bright in Iowa and to make our state a safer, more just place to raise our children and live our lives.

Don has served our state with honor and loyalty, and it is my pleasure to offer my deepest gratitude for his contributions.●

TRIBUTE TO MR. ARNOLD SPIELBERG

● Mr. WARNER. Mr. President, today I share with you and my colleagues an extraordinary story about an extraordinary American patriot. The gentleman's name is Arnold Spielberg. Yes, he is the father; but his own fame was earned, long before his son's, as a combat airman of the ''Greatest Generation.''

Like many of us during World War II, Mr. Spielberg heard the call of our great Nation and enlisted in the U.S. Army Signal Corps, just after Pearl Harbor, in January 1942. After several weeks of training at Fort Thomas and in Louisville, KY, he was transferred to the 422nd Signal Company at the New Orleans Army Air Corps Base near Lake Pontchartrain. Private Spielberg then spent the next 3 months doing close order drill and teaching Morse code to unwilling recruits. He recalled that in an effort to get the attention of these unwilling recruits, he would send them ''colorful'' jokes and stories to keep their attention. It worked.

In May 1942, he boarded a troop ship in Charleston, SC and 2 months later, disembarked in Karachi, India. Once in India, he was stationed at the Leslie Wilson Muslim Hostel working at the Karachi Classification Depot. His job was to essentially open up shipments of war materiel, aircraft parts mostly, check them against the technical manuals to figure out which aircraft they went to and label them. While this was important work, Mr. Spielberg wanted to be closer to the action and asked his Commanding Officer for a transfer to the 490th Bombardment Squadron, Medium. He got it and was on his way.

Corporal Spielberg tackled his new assignment with enthusiasm and vigor. He set up the communications system that serviced the control tower for planes practicing strafing and bombing missions on an island in the Indian Ocean. He also started to train as a radio gunner and learned all about the B–25's, the famous Mitchell bomber, communication equipment, inside and out.

Because of his hard work and diligence, Corporal Spielberg quickly earned the rank of Master Sergeant and the reputation as an expert signalman. He designed a high gain, bi-directional rhombic antenna, using giant bamboo poles for support. Their signal was as clear as ''Ma' Bell.'' He also tackled the somewhat menacing problem of electric power. The base power was supplied by a large British diesel generator that produced 250 volts at 50 cycles. The radio equipment ran on 115 volts at 60 cycles. In order to use the British generator, the voltage output needed to be reduced. Master Sergeant Spielberg requisitioned a step down transformer however, he knew that would take six months or so to secure. In the meantime, by the use of a little ''horse trading,'' he enlisted the help of some squadron mates to refurbish the unit's old generator which was then turned in as a spare and a new generator was issued.

The world over, U.S. soldiers, sailors and airmen used their common sense ''to make do'' when faced with challenging situations of all kinds. We didn't always do it ''by the book,'' but we succeeded.

Master Sergeant Spielberg also redesigned some electrical circuitry because of a critical safety flaw that he discovered at great risk to himself. While performing maintenance on the squadron's large transmitter one morning, Master Sergeant Spielberg turned off the main power source so as to change the bands. Noting the red power light ''out,'' he reached in to pull out the transmitter-turning coil. As he grabbed it, 2600-volts DC current went through his hand and sent him flying in the air. When he returned from seeing the medics, he inspected the transmitter and noticed the relay that controlled the power to the main transformer was ''hot wired'' to the power side so that the unit continually received power and could not be shut off. He immediately rewired the unit and drafted a correction notice to be distributed to the entire transmitter-user community.

Master Sergeant Spielberg also had the opportunity to fly combat missions. As the Japanese began their invasion of India with a focus on Imphal, his squadron was pressed to fly more missions. They supplied the British and Indian troops with food and ammo, and carried out the wounded. The aircrew soon became exhausted and ''overflown'' so the Communications Officer looked to the ground crew. When asked if he would volunteer to fly, Master Sergeant Spielberg said, ''Yeah, I'll go first!''—and he did. He flew missions as the radio gunner, at night, into

Imphal, to resupply the troops and bring out the wounded.

Because of his extraordinary initiatives and many other forward-thinking actions, Master Sergeant Spielberg was awarded the Bronze Star medal with a citation that read:

Pursuant to the authority contained in Army Regulations 600–45, War Department, Washington, DC, 22 September 1943, the Bronze Star Medal is hereby awarded to Master Sergeant Arnold M. Spielberg, 15088831:

For meritorious service from 24 July 1942 to 16 October 1944 as communications technician. M/Sgt Spielberg originated numerous modifications and suggestions concerning radio equipment and procedures which were later put in use throughout the Army Air Forces. His untiring efforts and initiative have rendered substantial aid to the operations of his squadron.

By command of Major General Davidson, Headquarters, Tenth Air Force, U.S. Army.

Upon the termination of hostilities in World War II, in the year 1945, all services made an effort to allow those who experienced the battlefields beyond our shores to return, as soon as possible, to their families and homes.

Often the records of their valorous service and the decorations they received had to follow. Given there were over 16 million who proudly wore the uniform of a service, this was a remarkable feat that was accomplished by a war-weary, but joyous nation.

Now, some 56 years later, I was honored to join the present Chief of Staff of the U.S. Air Force, General Michael Ryan, in reviewing the records and expediting the conveyance of the Bronze Star Medal to Master Sergeant Spielberg.●

LOS ALAMOS NATIONAL BANK 2000 MALCOLM BALDRIGE NATIONAL QUALITY AWARD RECIPIENT

● Mr. BINGAMAN. Mr. President, I rise today to applaud one of the many outstanding businesses in New Mexico and one that has distinguished itself remarkably today.

Today the Los Alamos National Bank was one of four recipients of the Malcolm Baldrige National Quality Award for the year 2000. Bill Enloe, Chief Executive Officer and Chairman of Los Alamos National Bank, and Steve Wells, President of the bank, were on hand to receive this distinguished award from President George Bush and former Commerce Secretary Norman Mineta.

While I was unable to attend the ceremony, I understand that the employees attending the ceremony from Los Alamos National Bank gave Bill and Steve a rousing reception that matched the magnitude of the award and the weight of the crystal presented to Bill and Steve.

Los Alamos National Bank (LANB) is an independent community bank in northern New Mexico that employs 167 employees and serves the communities of Los Alamos, White Rock and Santa Fe. LANB received the Baldrige award in the small business category.

While the Baldrige examiners and judges recognized LANB for its quality and business achievements, I would like to recognize LANB for its outstanding response in the wake of the Cerro Grande fire that struck in May 1999. LANB's decision to provide zero interest loans to those who lost their homes in the fire was not something mandated by the government, it was something they felt was the right thing to do. LANB's decision to postpone mortgage payments for residents was also the right thing to do. This type of service is rare in today's business market, but truly reflective of what it means to be a community bank and one that provides exceptional service to its customers in times of prosperity and in times of need.

Years ago LANB recognized that if it wanted to remain an independently owned bank, it would have to rise above all other banks and strive for excellence. It's ability to accomplish that goal was recognized today. LANB now stands with only 39 previous Malcolm Baldrige Award recipients. I congratulate Bill, Steve and their fine staff on their accomplishments and commitment to the people of northern New Mexico.●

TRIBUTE TO EDDIE FROST

● Mr. SESSIONS. Mr. President, during my four years as a member of the United States Senate, I have traveled across the State of Alabama meeting with local community leaders. I am proud to say that I have developed close, personal friendships with many of these folks. However, in all of my travels around the state, and meetings with public officials, I have enjoyed none more than getting to know Eddie Frost, the Mayor of Florence, Alabama, who died on March 15 after a battle with leukemia.

Florence, AL is a wonderful city with a population of 36,000 people. It is located on the banks of the Tennessee River in northwest Alabama, and it is the largest city in the Shoals area. Eddie Frost was raised in the Shoals, graduated from Sheffield High School, and then he graduated from Florence State University in 1961, which is now the University of North Alabama. Before becoming mayor of Florence, Eddie Frost was a teacher and coach at Bradshaw High School in Florence. In 1976, he coached the Bradshaw basketball team to a 6A state championship, and was recognized as the Alabama Coach of the Year.

He was first elected Mayor of Florence in 1984 when the city moved to a mayor-council form of government. He inherited a city with a bleak economic forecast and a high unemployment rate. Throughout his life, however, Eddie Frost always had a vision for bigger and better things. He immediately put to work his positive spirit, his high energy level, and his unsurpassed dedication to Florence. He helped the city revitalize downtown Florence, and today, the downtown area is booming.

He also worked tirelessly to see the Patton Island Bridge completed across the Tennessee River. I remember vividly during my campaign for the Senate, he took me up in the Florence Renaissance Tower and pointed out some lonesome concrete supports standing out in the middle of the river. There was no doubt how strongly he felt about completing that bridge project. He understood the economic importance this bridge would have for the Shoals area, and he worked side by side with us here in Washington to find funding for this worthy project. Thanks to his leadership, the bridge is nearly complete.

I also remember Eddie Frost proudly taking me on a tour of his city's recycling center. I admired greatly his use of city prisoners to separate garbage. It provided work for the prisoners, relieved landfill costs, and produced revenue. I have long advocated such projects and have never seen one better run.

Eddie Frost was also instrumental in helping the City of Florence land the NCAA Division II National Football Championship game in 1986. This is a world-class event, and the game has been very successful in Florence. The game has been a success because of the hospitality shown to the players, coaches, and fans by Eddie Frost, the championship committee, and the great people of Florence, Alabama. In December, the city will celebrate the 16th consecutive Division II Championship game in Florence. In addition to football, Eddie Frost brought his love of basketball to Florence. The city is now the home of the annual Alabama-Mississippi high school all-star basketball game.

He was involved in many civic and volunteer organizations, and his life was full of many achievements. He served as President of the Alabama League of Municipalities, Chairman of the American Public Gas Association, Chairman of the Board of Eliza Coffee Memorial Hospital, the hospital in which my eldest daughter was born, and he was Past President of the North Alabama Industrial Development Association. He was a Deacon at Highland Baptist Church in Florence, active in the Northwest Alabama Boys and Girls Club, the United Way, the Lauderdale County Cancer Society, the Lauderdale County Heart Association, and the Leukemia Society of America.

In 1993 he was named the Florence Civitan Citizen of the Year. He was the University of North Alabama's Alumnus of the Year in 1998, a member of the University of North Alabama Athletic Hall of Fame. Last month he was inducted into the Lauderdale County Sports Hall of Fame and the Alabama High School Sports Hall of Fame.

Eddie Frost not only left his mark on the city of Florence, the Shoals area, and the State of Alabama, he left an impression on our hearts. He was honest, out-going, and he was genuine. But

most importantly, he loved people, and he cared deeply for them. He loved his wife Bonnie, and their three children. I want to offer my sincerest condolences to them. I know the last few months since he was diagnosed with leukemia have been especially difficult for them. They will always miss Eddie, but they can take great pride in he life he led, and the hearts he touched along the way.●

NDSU WRESTLING TEAM FLOOR STATEMENT

● Mr. CONRAD. Mr. President, last month the North Dakota State University wrestling team once again showed the strength, grit and determination of North Dakotans by winning the NCAA Division II wrestling championship. Not only was this the second consecutive championship for the Bison, it was the fourth national title in school history.

As a native North Dakotan, I am exceptionally proud of this accomplishment. Defending their NCAA Division II Championship, the Bison finished 7½ points ahead of second place South Dakota State University in the NCAA Division II finals on March 10. This year's dramatic victory came down to the wire needing a victory by Bison heavyweight Nick Severson to secure the victory over second place rival South Dakota State. Severson rose to the occasion by pinning an opponent he has never previously beaten. The stage for the upset heavyweight finale was set when each of the other Bison finalists, Todd Fuller and Steve Saxlund, did their part by becoming national champs at 174 and 184 pounds. For Saxlund, this was an impressive third straight national championship.

I congratulate the Bison wrestling program. Exceptional coaching, determined wrestlers, and remarkable teamwork led the Bison to their fourth national championship. They qualified all 10 members of their wrestling squad for the NCAA tournament. With all but one returning for next season, I expect to have the opportunity to make a similar announcement next year regarding the Bison's success in the world's oldest sport. Again, on behalf of all North Dakotans, I extend congratulations to the Bison on yet another successful season and wish the best of luck to the entire team.●

TRIBUTE TO DR. THOMAS E. STARZL

● Mr. SPECTER. Mr. President, I wish to recognize and honor Dr. Thomas E. Starzl on the 20th anniversary of the first liver transplant performed in Pittsburgh.

On February 26, 1981, Dr. Starzl made history upon his performance of the first liver transplant at Presbyterian University Hospital (now UPMC Presbyterian). In the two decades since that remarkable accomplishment, Dr. Starzl has led the University of Pittsburgh transplant program to national and international prominence. UPMC, now the largest and most successful transplant center in the world, has performed more than 5,700 liver transplants; 3,500 kidney transplants; 1,000 heart transplants; and 500 lung transplants—largely attributed to Dr. Starzl's trailblazing vision.

Dr. Starzl's influence reaches well beyond western Pennsylvania. He has been a pioneer in the field of organ transplantation for more than 40 years, and has compiled a distinguished career that spans the country and medical technology. Dr. Starzl performed the world's first liver transplant in 1963 at the University of Colorado, and helped to develop the truly revolutionary surgical techniques and anti-rejection drugs which have brought organ transplantation to the mainstream of American medicine. Dr. Starzl has authored or co-authored more than 2,000 scientific articles and four books, received 21 honorary doctorates, and has been honored with more than 175 awards. Most recently, he was a co-winner of the King Faisal International Prize in Medicine for the year 2000, sharing the award with two other transplant pioneers. Although retired from clinical practice since 1991, Dr. Starzl continues to actively contribute to biomedical research as the director emeritus of the transplant institute in Pittsburgh, renamed in his honor in 1996. The Thomas E. Starzl Transplantation Institute and the University of Pittsburgh will pay tribute to Dr. Starzl this month with a ''Festschrift,'' a collection of articles by colleagues, former students and others published in his honor. This special event will inaugurate the Starzl Prize in Surgery and Immunology and unveil a portrait of Dr. Starzl that will be displayed in the University of Pittsburgh School of Medicine.

With more than 20 years of landmark advancements in science and medicine to his credit, I salute Dr. Thomas E. Starzl for his remarkable dedication and honor his contribution to the life-saving field of organ transplantation.●

MARY WALTERS

● Mr. BINGAMAN. Mr. President, I learned this morning that Mary Walters, one of New Mexico's most outstanding citizens has died at age 79. She was a pioneering spirit if there ever was one, and many of us who knew and admired her feel this loss keenly.

Not yet twenty-one, she served as a WASP, Women's Auxiliary Service Pilots transport pilot during World War II. In a move that would shape her later career, she used her soon-to-expire GI benefits to go to college and then went on to earn a law degree at age forty. For the next half of her life, she went places no woman had gone before in New Mexico. She was President of the New Mexico Women's Political Caucus and served in a leadership position in the Constitutional Convention. She was the first woman named to the district court. Her service on the New Mexico Court of Appeals, 1978–1984, led to the New Mexico Supreme Court where she became the first woman to sit on that bench.

During a critical period for women's rights, Mary Walters took the lead in our state and in our profession. She had many admirers. My wife, Anne, and I, were among them. She was a marvelous person whose life was a blessing to all who appreciated her strength and spirit, and whose death reminds us all what a force for good she was.●

CELEBRATION OF CHAUL CHHNAM, CAMBODIAN NEW YEAR

● Mr. REED. Mr. President, I rise today to join Cambodian-Americans in celebration of the traditional Cambodian New Year, Chaul Chhnam, one of the major celebrations of the Cambodian culture. For three days this month, there will be gatherings across the United States to celebrate the beginning of the year. I take this opportunity to wish all Cambodian Americans a very happy New Year.

New Year celebrations are about the passing of time and the rejuvenation of optimism for the future. The Cambodian New Year is this and more. It represents a traditional end of the harvest and a celebration of faith. Traditionally, it was a time for farmers to enjoy the fruits of their harvest and relax before the rainy season began. The start of the New Year is marked by the sounding of a bell. With the sounding, it is believed that the New Angel arrives. Throughout the day people participate in ceremonies and bring food to the Buddhist monks and religious leaders. The second day of celebration, or Vana Bat, is a time to show consideration for others. Gifts are given to parents, grandparents and teachers as a show of respect and charity is offered to the less fortunate. The third day, or Loeng Sak, includes more religious ceremonies and rituals to bring good luck and happiness to families.

In my home state of Rhode Island there are numerous businesses owned by Cambodian-American families, most of them in the capital city Providence. These families enrich Rhode Island with their diversity and culture, and their hard work contributes much to the local economy. I would like to wish each one of them a happy New Year.

The Cambodian New Year is an appropriate time to remind all Americans why we must support the political and economic stabilization of Cambodia. As Cambodia continues to recover from three decades of civil conflict, including the atrocities committed by the Khmer Rouge, it is critical that the United States and international community aid the Cambodian people in their efforts to build a lasting democracy.

As we approach the beginning of Chaul Chhnam, I encourage all U.S.

citizens to join in the spirit of this special holiday.●

NATIONAL PECAN MONTH

● Mr. CLELAND. Mr. President, April is ''National Pecan Month.'' One of the nation's important agricultural products, pecans are the only major tree nut that can be considered a true American nut. Pecans were first discovered growing in North America and parts of Mexico in the 1600's and were given the name ''pecan'' based on the Native American word of Algonquin origin, meaning ''all nuts requiring a stone to crack.'' Pecans were favored by pre-colonial residents and served as a major source of food because they were accessible to waterways and easier to shell than other North American nut species.

Today, pecans are grown in Alabama, Arizona, Arkansas, California, Florida, Georgia, Kansas, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina and Texas and are enjoyed around the world as the perfect nut. According to U.S. Department of Agriculture statistics, over 346 million pounds of pecans were produced in the U.S. in 1999. In fact, the majority of the world's pecan production, 80 percent, comes from the U.S.

While valued for their wonderful aroma and flavor, scientific research has begun to recently reveal an even more important reason to make pecans part of an everyday, healthy diet. According to researchers at leading academic institutions in this country, pecans have many of the important nutritional attributes that health professionals recommend. Not only are nutrition researchers finding that pecans can lower blood cholesterol levels when incorporated into the diet, food scientists have also found that pecans are a concentrated source of plant sterols, which are widely touted for their cholesterol-lowering ability. Numerous studies have also shown that phytochemicals like those found in pecans act as antioxidants, which can have a protective effect against many diseases.

Since 90 percent of the fat in pecans are of the heart-healthy unsaturated variety, they fit right into the government's latest U.S. Dietary Guidelines for Americans issued in May 2000. The latest dietary guidelines from the American Heart Association, AHA, also bode well for pecan lovers. The new AHA guidelines specifically advise Americans to limit their intake of saturated fat and to ''substitute grains and unsaturated fatty acids from fish, vegetables, legumes and nuts'' in its place.

In addition to their cholesterol-lowering properties and heart-healthy fats, pecans contain more than 19 important vitamins and minerals, including vitamins A and E, folic acid, calcium, magnesium, phosphorus, potassium, zinc and several B vitamins, and are a good source of fiber. Pecans are part of the protein group in the U.S. Department of Agriculture's Food Guide Pyramid, making them a nutritious alternative for Americans who are vegetarians or striving to eat a more plant-based diet. Pecans, which are naturally sodium-free, are also ideal for anyone who wishes to restrict their sodium intake.

Pecans, a true all-American nut, deserve to be recognized. Not only for their long history of providing sustenance and enjoyment, but for the health benefits they can provide to Americans—especially those striving to eat a healthier diet. I hope my colleagues will join me in celebrating ''National Pecan Month.''●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

H.R. 8. An act to amend the Internal Revenue Code of 1986 to phaseout the estate and gift taxes over a 10-year period, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1341. A communication from the Acting Administrator of Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Nectarines and Peaches Grown in California; Revision of Handling Requirements for Fresh Nectarines and Peaches'' (Doc No. FV01–916–1 IFR) received on April 3, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1342. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Fenpyroximate; Time-Limited Pesticide Tolerance'' (FRL6773–2) received on April 3, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1343. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Imidacloprid; Pesticide Tolerance'' (FRL6777–6) received on April 3, 2001; to the Committee on Agriculture , Nutrition, and Forestry.

EC–1344. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; State of Missouri'' (FRL6964–1) received on April 3, 2001; to the Committee on Environment and Public Works.

EC–1345. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Amendments to Vehicle Inspection Maintenance Program Requirements Incorporating the Onboard Diagnostic Check'' (FRL6962–9) received on April 3, 2001; to the Committee on Environment and Public Works.

EC–1346. A communication from the Director of the Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled ''Signature by Mark'' (RIN2900–AK07) received on April 3, 2001; to the Committee on Veterans' Affairs.

EC–1347. A communication from the Director of the Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled ''Claims Based on the Effect of Tobacco Products'' (RIN2900–AJ59) received on April 3, 2001; to the Committee on Veterans' Affairs.

EC–1348. A communication from the Director of the Office of Federal Housing Enterprise Oversight, transmitting, pursuant to law, the report of a rule entitled ''Assessments'' (RIN2550–AA15) received on April 2, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1349. A communication from the Director of the Office of Federal Housing Enterprise Oversight, transmitting, pursuant to law, the report of a rule entitled ''Rules of Practice and Procedure'' (RIN2550–AA16) received on April 2, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1350. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed Manufacturing License Agreement with the Republic of Korea; to the Committee on Foreign Relations.

EC–1351. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, a report concerning the promulgation of an interim rule which amends 22 CFR 41.81; to the Committee on Foreign Relations.

EC–1352. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Announcement and Report Concerning Pre-Filing Agreements'' (Ann. 2001–38, 2001–17) received on April 3, 2001; to the Committee on Finance.

EC–1353. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''2000 Nonconventional Source Fuel Credit'' (Notice 2001–31) received on April 3, 2001; to the Committee on Finance.

EC–1354. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the Financial Report of the United States Government for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1355. A communication from the Director of the National Science Foundation,

transmitting, the report of the Annual Performance Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1356. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report of the list of General Accounting Office Reports for February 2001; to the Committee on Governmental Affairs.

EC–1357. A communication from the Chairman of the Consumer Product Safety Commission, transmitting, pursuant to law, the report of the Annual Performance Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1358. A communication from the Executive Director of the Neighborhood Reinvestment Corporation, transmitting, pursuant to law, the report of the Annual Performance Plan Report for Fiscal Year 2000 and the Performance Plan for Fiscal Year 2002; to the Committee on Governmental Affairs.

EC–1359. A communication from the Secretary of Department of Agriculture, transmitting, pursuant to law, the annual report on the system of internal accounting and financial controls in effect during Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1360. A communication from the Secretary of Veterans Affairs, transmitting, pursuant to law, the annual report on the system of internal accounting and financial controls in effect during Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1361. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–597, ''21st Century Financial Modernization Act of 2000''; to the Committee on Governmental Affairs.

EC–1362. A communication from the Secretary of the Department of Housing and Urban Development, transmitting, pursuant to law, the Annual Performance and Accountability Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1363. A communication from the Executive Director of the Committee for Purchase form People Who Are Blind or Severely Disabled, transmitting, pursuant to law, the report of additions to the procurement list received on April 3, 2001; to the Committee on Governmental Affairs.

EC–1364. A communication from the Secretary of Commerce, transmitting, pursuant to law, the Accountability Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–4. A resolution adopted by the Lexington Fayette Urban County Government relative to parks and other natural resources; to the Committee on Energy and Natural Resources.

POM–5. A joint resolution adopted by the Legislature of the State of Wyoming relative to wildlife management; to the Committee on Appropriations.

ENROLLED JOINT RESOLUTION NO. 4

Whereas, the United States government has adopted and is implementing a plan for the recovery of the grizzly bear and gray wolf in the Northern Rocky Mountain region; and

Whereas, the federal policy to restore the grizzly bear and gray wolf in the Northern Rocky Mountain region has a continuing financial obligation which should be borne by the same broad segment of the United States population which imposed the policy in order to continue the effective management of these species; and

Whereas, significant portions of the range of the grizzly bear and gray wolf are located within the Northern Rocky Mountain region on lands managed by the United States Department of the Interior and the United States Department of Agriculture; and

Whereas, the management of resident wildlife species not listed under the federal Endangered Species Act of 1973, as amended, is the responsibility of the states; and

Whereas, grizzly bear and gray wolf populations are increasing and should therefore be removed from the federal list of endangered species, thereby shifting a substantial responsibility from management of these wildlife species to the state of Wyoming; and

Whereas, the state of Wyoming acknowledges its responsibility and authority for the management of the grizzly bear and gray wolf in the Northern Rocky Mountain region after those species have been removed from the list of endangered species; and

Whereas, providing a substantial permanent and stable source of funding to help pay for the continuing costs of managing these unique species is essential for the successful management of the grizzly bear and gray wolf in the Northern Rocky Mountain region; and

Whereas, the costs to manage these wildlife species in the Northern Rocky Mountain region will be significantly greater than can be sustained through the existing budgets of the responsible state and federal agencies; and

Whereas, a national trust should be established for the management of these wildlife species with the understanding that the responsible state and federal agencies will continue to seek necessary appropriations from their respective legislative bodies for the continuing management of these wildlife species, consistent with their respective statutory mandates. Now, therefore, be it

Resolved by the members of the legislature of the State of Wyoming, a majority of all the members of each house, voting separately, concurring therein:

Section 1. That the Wyoming State Legislature endorses the establishment of the Northern Rocky Mountain Grizzly Bear and Gray Wolf Management Trust as a special fund within the National Fish and Wildlife Foundation, to provide funding for the management and compensation payments for losses incurred by individuals and entities, made by state and federal entities arising out of the continuing management of grizzly bear and gray wolf populations in the Northern Rocky Mountain region.

Section 2. That the Wyoming State Legislature requests that the United States Congress fund the corpus of the Management Trust with a minimum of forty million dollars ($40,000,000.00) by January 1, 2003, which is the minimum amount presently anticipated to be required to fund the obligations resulting from the continuing management of these unique species.

Section 3. That the Wyoming State Legislature encourages individuals, businesses, corporations and organizations across the United States to contribute to the corpus of the Management Trust to ensure the continuing management of the grizzly bear and gray wolf in the Northern Rocky Mountain region of the United States.

Section 4. The Secretary of State of Wyoming is directed to transmit copies of this resolution and a copy of the list of members voting for this proposal to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, to the United States Secretary of Interior and the United States Secretary of Agriculture and to the Wyoming Congressional Delegation.

POM–6. A joint resolution adopted by the Legislature of the State of Wyoming relative to wildlife management; to the Committee on Environment and Public Works.

Whereas, separation of powers is fundamental to the United States Constitution and the power of the federal government is limited; and

Whereas, the state of Wyoming has certain rights guaranteed to the states by the Constitution of the United States; and

Whereas, under the United States constitution, the states are to determine public policy; and

Whereas, traditionally the state of Wyoming has participated in issues regarding the introduction or reintroduction of threatened or endangered species into boundaries of the state; and

Whereas, the costs of managing and conserving the threatened or endangered species is significantly greater than can be sustained through the annual operating budgets of state agencies; and

Whereas, the introduction or reintroduction of threatened or endangered species may have a negative impact on the state of Wyoming's industries and economy; and

Whereas, the United States Congress should not make decisions for the introduction or reintroduction of threatened or endangered species into the state of Wyoming without the consent and approval of the state; and

Whereas, the United States Congress should not make decisions for the introduction or reintroduction of threatened or endangered species into the state of Wyoming without providing necessary funding for the management and conservation of these species.

Now, therefore, be it

Resolved by the members of the legislature of the State of Wyoming, a majority of all the members of each house, voting separately, concurring therein:

Section 1. That the Wyoming State Legislature does not condone the introduction of threatened or endangered species pursuant to the federal ''Endangered Species Act of 1973'' 16 U.S.C. §1531, et seq., as amended, into the state of Wyoming without the approval and consent of the state of Wyoming.

Section 2. That the Wyoming State Legislature strongly encourages the United States Congress to appropriate monies for the management and conservation of threatened or endangered species prior to their introduction or reintroduction into the state of Wyoming, and to establish federal funding sources to provide for state management of the species following delisting.

Section 3. That the Secretary of State of Wyoming transmit copies of this resolution to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, to the United States Secretary of Interior and the United States Secretary of Agriculture and to the Wyoming Congressional Delegation.

POM–7. A concurrent resolution adopted by the Legislature of the State of North Dakota relative to amending the Constitution of the United States; to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTION NO. 3031

Whereas, the Constitution of the United States reserves to the states a broad range of powers and the power of the federal government is strictly limited with regard to powers reserved to the states; and

Whereas, under the Constitution of the United States, the states are given full authority over state and local government tax policy; and

Whereas, it is the duty of the judiciary to interpret the law, not to create law; and

Whereas, our present federal government has strayed from the intent of our founding fathers and the Constitution of the United States through inappropriate federal mandates; and

Whereas, federal district courts, with the acquiescence of the United States Supreme Court, continue to order states to levy or increase taxes to comply with federal mandates; and

Whereas, these court actions violate the Constitution of the United States; and

Whereas, the time has come for the people of this great nation and their duly elected representatives in state government to reaffirm, in no uncertain terms, that the authority to tax under the Constitution of the United States is retained by the people who, by their consent alone, do delegate such power to tax explicitly to those duly elected representatives in the legislative branch of government whom they choose, such representatives being directly responsible and accountable to those who have elected them; Now, therefore, be it

Resolved by the House of Representatives of North Dakota, the Senate Concurring therein:

1. That the United States Congress prepare and submit to the several states an amendment to the Constitution of the United States to add a new article providing as follows:

''Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a state or political subdivision thereof, or an official of such a state or political subdivision, to levy or increase taxes.''

2. That this application constitutes a continuing application in accordance with Article V of the Constitution of the United States.

3. That the Fifty-seventh Legislative Assembly also proposes that the legislatures of each of the several states comprising the United States that have not yet made a similar request apply to the United States Congress requesting enactment of an appropriate amendment to the Constitution of the United States, and apply to the United States Congress to propose such an amendment to the Constitution of the United States.

4. That the Secretary of State transmit copies of this resolution to the President and Vice President of the United States, the presiding officer in each house of the legislature in each of the states in the Union, the Speaker of the United States House of Representatives, the President of the United States Senate, and to each member of the North Dakota Congressional Delegation.

POM–8. A concurrent resolution adopted by the Legislature of the State of Wyoming relative to the rescinding of a convention; to the Committee on the Judiciary.

SENATE CONCURRENT RESOLUTION NO. 4028

Whereas, the Legislative Assembly, acting with the best of intentions, has, at various times, applied to the Congress of the United States to call a convention to propose amendments to the United States Constitution, pursuant to the provisions of Article V of the United States Constitution; and

Whereas, former Justice of the United States Supreme Court Warren E. Burger, former Associate Justice of the United States Supreme Court Arthur J. Goldberg, and other leading constitutional scholars agree that such a convention may propose sweeping changes to the Constitution, any limitations or restrictions purportedly imposed by the states in applying for such a convention or conventions to the contrary notwithstanding, thereby creating an imminent peril to the well-established rights of the citizens and the duties of various levels of government; and

Whereas, the Constitution of the United States has been amended many times in the history of this nation and may be amended many more times, without the need to resort to a constitutional convention, and has been interpreted for more than 200 years and has been found to be a sound document that protects the lives and liberties of the citizens; and

Whereas, there is great danger in a new constitution or in opening the Constitution to sweeping changes, the adoption of which would only create legal chaos in this nation and only begin the process of another two centuries of litigation over its meaning and interpretation; Now, therefore, be it

Resolved by the Senate of North Dakota, the House of Representatives concurring therein:

That the Legislative Assembly rescinds the following applications made by the Legislative Assembly to the Congress of the United States to call a convention pursuant to Article V of the United States Constitution:

1967 House Concurrent Resolution ''I–1'', calling for a convention to amend the Constitution of the United States, relating to apportionment;

1971 Senate Concurrent Resolution No. 4013, calling for a convention to amend the Constitution of the United States to provide revenue sharing;

1975 Senate Concurrent Resolution 4018, calling for a convention to amend the Constitution of the United States to require a balanced cash budget for each session of Congress except in time of war or national emergency;

1979 Senate Concurrent Resolution No. 4033, calling for a convention to amend the Constitution of the United States to prohibit federal estate taxes; and

Be it further resolved, That the Legislative Assembly urges the legislative bodies of each state that have applied to Congress to call a convention to rescind; and

Be it further resolved, That the Secretary of State forward copies of this resolution to the presiding officer of each legislative body in each state, to the President of the United States Senate, to the Speaker of the United States House of Representatives, to the members of the North Dakota Congressional Delegation, and to the administrator of General Services, Washington, D.C.

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted:

By Mr. SPECTER for the Committee on Veterans' Affairs.

Tim S. McClain, of California, to be General Counsel, Department of Veterans Affairs.

(The above nomination was reported with the recommendation that it be confirmed subject to the nominee's 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 times by unanimous consent, and referred as indicated:

By Mr. BOND (for himself and Mr. BREAUX):

S. 724. A bill to amend title XXI of the Social Security Act to provide for coverage of pregnancy-related assistance for targeted low-income pregnant women; to the Committee on Finance.

By Mr. GRASSLEY:

S. 725. A bill to amend the Internal Revenue Code of 1986 to codify the authority of the Secretary of the Treasury to issue regulations covering the practices of enrolled agents before the Internal Revenue Service; to the Committee on Finance.

By Mr. BREAUX (for himself, Mr. THOMPSON, Mr. MILLER, Mr. CLELAND, Ms. LANDRIEU, Mr. SHELBY, Mr. BUNNING, and Mr. FRIST):

S. 726. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of prepayments for natural gas; to the Committee on Finance.

By Ms. COLLINS (for herself and Mr. FEINGOLD):

S. 727. A bill to provide grants for cardiopulmonary resuscitation (CPR) training in public schools; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KOHL (for himself, Mr. DORGAN, and Mr. CONRAD):

S. 728. A bill to establish a demonstration project to waive certain nurse aide training requirements for specially trained individuals who perform certain specific tasks in nursing facilities participating in the medicare or medicaid programs, and to conditionally authorize the use of resident assistants in such nursing facilities; to the Committee on Finance.

By Mr. NELSON of Florida:

S. 729. A bill to provide grant money to States to enable States to expand the opportunity for citizens to vote over the Internet; to the Committee on Rules and Administration.

By Mr. JOHNSON (for himself, Mr. HUTCHINSON, and Mrs. LINCOLN):

S. 730. A bill to amend title XVIII of the Social Security Act to provide for the fair treatment of certain physician pathology services under the medicare program; to the Committee on Finance.

By Mr. NELSON of Florida:

S. 731. A bill to ensure that military personnel do not lose the right to cast votes in elections in their domicile as a result of their service away from the domicile, to amend the Uniformed and Overseas Citizens Absentee Voting Act to extend the voter registration and absentee ballot protections for absent uniformed services personnel under such Act to State and local elections, and for other purposes; to the Committee on Rules and Administration.

By Mr. THOMPSON:

S. 732. A bill to amend the Internal Revenue Code of 1986 to reduce the depreciation recovery period for certain restaurant buildings, and for other purposes; to the Committee on Finance.

By Mr. DEWINE:

S. 733. A bill to eliminate the duplicative intent requirement for carjacking; to the Committee on the Judiciary.

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

S. 734. A bill to amend the Foreign Service Buildings Act, 1926, to expand eligibility for the award of construction contracts under that Act to persons that have performed similar construction work at United States diplomatic or consular establishments abroad under contracts limited to $5,000,000; to the Committee on Foreign Relations.

By Mr. DEWINE:

S. 735. A bill to amend title 18 of the United States Code to add a general provision for criminal attempt; to the Committee on the Judiciary.

By Mr. ALLARD (for himself, Mr. REID, and Mr. ENSIGN):

S. 736. A bill to amend title 10, United States Code, to provide for the appointment of a Chief of the Veterinary Corps of the Army in the grade of brigadier general, and for other purposes; to the Committee on Armed Services.

By Mr. REID (for himself and Mr. ENSIGN):

S. 737. A bill to designate the facility of the United States Postal Service located at 811 South Main Street in Yerington, Nevada, as the ''Joseph E. Dini, Jr. Post Office''; to the Committee on Governmental Affairs.

By Mr. SMITH of New Hampshire:

S. 738. A bill to amend the Voting Rights Act of 1965 to protect the voting rights of members of the Armed Forces; to the Committee on Rules and Administration.

By Mr. WELLSTONE (for himself, Mrs. MURRAY, Mr. DAYTON, Ms. STABENOW, Mr. DORGAN, Mr. KENNEDY, Mr. DURBIN, Ms. LANDRIEU, Mr. DASCHLE, Mr. REID, and Mr. JOHNSON):

S. 739. A bill to amend title 38, United States Code, to improve programs for homeless veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HUTCHINSON:

S. 740. A bill to preserve open competition and Federal Government neutrality towards the labor relations of Federal Government contractors on Federal and federally funded construction projects; to the Committee on Governmental Affairs.

By Mr. SESSIONS:

S. 741. A bill to amend the Internal Revenue Code of 1986 to provide tax credits with respect to nuclear facilities, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. GRAHAM, Mr. HATCH, Mr. BREAUX, Mr. MURKOWSKI, Mr. KERRY, Mr. JEFFORDS, Mr. TORRICELLI, Mr. KYL, Mrs. LINCOLN, Mr. HUTCHINSON, Mr. JOHNSON, Mr. HAGEL, Mr. DURBIN, Mr. GREGG, Mr. SCHUMER, Mrs. HUTCHISON, Mr. BAYH, Mr. CHAFEE, and Mr. REID):

S. 742. A bill to provide for pension reform, and for other purposes; to the Committee on Finance.

By Mr. REED (for himself, Mrs. CLINTON, and Mr. SCHUMER):

S. 743. A bill to establish a medical education trust fund, and for other purposes; to the Committee on Finance.

By Mrs. HUTCHISON (for herself, Mr. LIEBERMAN, and Mr. FEINGOLD):

S. 744. A bill to amend section 527 of the Internal Revenue Code of 1986 to eliminate notification and return requirements for State and local candidate committees and avoid duplicate reporting by certain State and local political committees of information required to be reported and made publicly available under State law; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. JEFFORDS, Mr. FEINGOLD, Mr. BINGAMAN, and Mr. DODD):

S. 745. A bill to amend the Child Nutrition Act of 1966 to promote better nutrition among school children participating in the school breakfast and lunch programs; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 746. A bill to express the policy of the United States regarding the United States relationship with Native Hawaiians and to provide a process for the recognition by the United States of the Native Hawaiian governing entity, and for other purposes; to the Committee on Indian Affairs.

By Mrs. BOXER:

S. 747. A bill to authorize the Attorney General to make grants to local educational agencies to carry out school violence prevention and school safety activities in secondary schools; to the Committee on the Judiciary.

By Mrs. BOXER:

S. 748. A bill to make schools safer by waiving the local matching requirement under the Community Policing program for the placement of law enforcement officers in local schools; to the Committee on the Judiciary.

By Mr. FITZGERALD (for himself, Mr. SCHUMER, Mr. JEFFORDS, Mr. BINGAMAN, Mr. DEWINE, Mrs. CLINTON, Ms. COLLINS, Mr. LIEBERMAN, Mr. MCCAIN, Mr. KERRY, Mrs. FEINSTEIN, Ms. SNOWE, Mrs. BOXER, Mr. SMITH of Oregon, and Mr. TORRICELLI):

S. 749. A bill to provide that no Federal income tax shall be imposed on amounts received by victims of the Nazi regime or their heirs or estates, and for other purposes; to the Committee on Finance.

By Mr. BIDEN:

S. 750. A bill to amend the Internal Revenue Code of 1986 to provide the same tax treatment for danger pay allowance as for combat pay; to the Committee on Finance.

By Mrs. CLINTON:

S. 751. A bill to express the sense of the Senate concerning a new drinking water standard for arsenic; to the Committee on Environment and Public Works.

By Mr. BURNS:

S. 752. A bill to amend the Internal Revenue Code of 1986 to reclassify computer equipment as 3-year property for purposes of depreciation; to the Committee on Finance.

By Mr. BREAUX (for himself, Mr. CRAIG, Mr. DORGAN, Mr. BURNS, Mr. CONRAD, Mr. ENZI, Ms. LANDRIEU, Mr. THOMAS, Mr. GRAHAM, Mr. CRAPO, Mr. BAUCUS, Mr. NELSON of Nebraska, Mr. DAYTON, Mr. INOUYE, Mr. AKAKA, Mr. ALLARD, and Mr. HARKIN):

S. 753. A bill to amend the Harmonized Tariff Schedule of the United States to prevent circumvention of the sugar tariff-rate quotas ; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. KOHL, Mr. SCHUMER, and Mr. DURBIN):

S. 754. A bill to enhance competition for prescription drugs by increasing the ability of the Department of Justice and Federal Trade Commission to enforce existing antitrust laws regarding brand name drugs and generic drugs; to the Committee on the Judiciary.

By Mrs. MURRAY (for herself and Mr. SMITH of Oregon):

S. 755. A bill to continue State management of the West Coast Dungeness Crab fishery; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. JOHNSON:

S. Res. 68. A resolution designating September 6, 2001 as ''National Crazy Horse Day''; to the Committee on the Judiciary.

By Mr. BAYH (for himself and Mr. LUGAR):

S. Res. 69. Resolution congratulating the Fighting Irish of the University of Notre Dame for winning the 2001 women's basketball championship; considered and agreed to.

By Mr. DURBIN (for himself and Mr. SMITH of New Hampshire):

S. Res. 70. Resolution honoring The American Society for the Prevention of Cruelty to Animals for its 135 years of service to the people of the United States and their animals; considered and agreed to.

By Mr. HARKIN:

S. Res. 71. A resolution expressing the sense of the Senate regarding the need to preserve six day mail delivery; to the Committee on Governmental Affairs.

ADDITIONAL COSPONSORS

S. 99

At the request of Mr. KOHL, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 99, a bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide child care assistance for dependents of their employees, and for other purposes.

S. 145

At the request of Mr. THURMOND, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 145, a bill to amend title 10, United States Code, to increase to parity with other surviving spouses the basic annuity that is provided under the uniformed services Survivor Benefit Plan for surviving spouses who are at least 62 years of age, and for other purposes.

S. 170

At the request of Mr. REID, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

S. 198

At the request of Mr. CRAIG, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 198, a bill to require the Secretary of the Interior to establish a program to provide assistance through States to eligible weed management entities to control or eradicate harmful, nonnative weeds on public and private land.

S. 258

At the request of Ms. SNOWE, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 258, a bill to amend title XVIII of the Social Security Act to provide for coverage under the medicare program of annual screening pap smear and screening pelvic exams.

S. 277

At the request of Mr. KENNEDY, the name of the Senator from Wisconsin (Mr. KOHL) was added as a cosponsor of S. 277, a bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

S. 388

At the request of Mr. MURKOWSKI, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 388, a bill to protect the energy and security of the United States and decrease America's dependency on foreign oil sources to 50% by the year 2011 by enhancing the use of renewable energy resources conserving energy resources, improving energy efficiencies, and increasing domestic energy supplies; improve environmental quality by reducing emissions of air pollutants and greenhouse gases; mitigate the effect of increases in energy prices on the American consumer, including the poor and the elderly; and for other purposes.

S. 452

At the request of Mr. MURKOWSKI, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 452, a bill to amend title XVIII of the Social Security Act to ensure that the Secretary of Health and Human Services provides appropriate guidance to physicians, providers of services, and ambulance providers that are attempting to properly submit claims under the medicare program to ensure that the Secretary does not target inadvertent billing errors.

S. 570

At the request of Mr. BIDEN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 570, a bill to establish a permanent Violence Against Women Office at the Department of Justice.

S. 643

At the request of Mr. BAUCUS, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 643, a bill to implement the agreement establishing a United States-Jordan free trade area.

S. 656

At the request of Mr. REED, the names of the Senator from Massachusetts (Mr. KERRY), the Senator from Louisiana (Ms. LANDRIEU), and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 656, a bill to provide for the adjustment of status of certain nationals of Liberia to that of lawful permanent residence.

S. 661

At the request of Mr. THOMPSON, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 661, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent motor fuel exercise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

S. 697

At the request of Mr. HATCH, the names of the Senator from Rhode Island (Mr. CHAFEE), and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of S. 697, a bill to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries.

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 697, supra.

S. CON. RES. 14

At the request of Mr. CAMPBELL, the name of the Senator from Mississippi (Mr. LOTT) was added as a cosponsor of S. Con. Res. 14, a concurrent resolution recognizing the social problem of child abuse and neglect, and supporting efforts to enhance public awareness of it.

S. RES. 66

At the request of Mr. THOMAS, the names of the Senator from Delaware (Mr. CARPER), the Senator from Ohio (Mr. VOINOVICH), the Senator from Oklahoma (Mr. INHOFE), the Senator from Michigan (Ms. STABENOW), the Senator from Mississippi (Mr. COCHRAN), the Senator from Vermont (Mr. LEAHY), the Senator from Arkansas (Mrs. LINCOLN), the Senator from Maryland (Ms. MIKULSKI), the Senator from Iowa (Mr. GRASSLEY), the Senator from Georgia (Mr. MILLER), the Senator from Tennessee (Mr. FRIST), the Senator from Oklahoma (Mr. NICKLES), the Senator from Missouri (Mr. BOND), the Senator from Georgia (Mr. CLELAND), the Senator from Idaho (Mr. CRAIG), the Senator from Texas (Mrs. HUTCHISON), the Senator from New Hampshire (Mr. GREGG), the Senator from Colorado (Mr. ALLARD), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Wyoming (Mr. ENZI), the Senator from New York (Mr. SCHUMER), the Senator from Utah (Mr. HATCH), the Senator from Rhode Island (Mr. REED), the Senator from Minnesota (Mr. DAYTON), the Senator from Ohio (Mr. DEWINE), the Senator from Maryland (Mr. SARBANES), the Senator from Alabama (Mr. SESSIONS), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Louisiana (Mr. BREAUX), the Senator from Montana (Mr. BURNS), the Senator from Nevada (Mr. REID), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. Res. 66, a resolution expressing the sense of the Senate regarding the release of twenty-four United States military personnel currently being detained by the People's Republic of China.

AMENDMENT NO. 183

At the request of Mr. LEAHY, his name was added as a cosponsor of amendment No. 183 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

At the request of Mr. KERRY, the names of the Senator from New York (Mr. SCHUMER), the Senator from Maine (Ms. COLLINS), the Senator from Michigan (Mr. LEVIN), and the Senator from Maine (Ms. SNOWE) were added as cosponsors of amendment No. 183 proposed to H. Con. Res. 83, supra.

At the request of Mr. CONRAD, his name was added as a cosponsor of amendment No. 183 proposed to H. Con. Res. 83, supra.

AMENDMENT NO. 210

At the request of Mr. BOND, the names of the Senator from South Carolina (Mr. HOLLINGS), the Senator from Ohio (Mr. DEWINE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from California (Mrs. FEINSTEIN), the Senator from Oregon (Mr. SMITH), the Senator from Massachusetts (Mr. KERRY), the Senator from Connecticut (Mr. DODD), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of amendment No. 210 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 211

At the request of Mr. BINGAMAN, his name was added as a cosponsor of amendment No. 211 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 231

At the request of Mrs. MURRAY, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of amendment No. 231 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 234

At the request of Mr. DODD, the names of the Senator from New York (Mrs. CLINTON), and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of amendment No. 234 intended to be proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 235

At the request of Mr. DODD, the names of the Senator from New York (Mrs. CLINTON), the Senator from Indiana (Mr. BAYH), the Senator from Massachusetts (Mr. KERRY), the Senator from Connecticut (Mr. LIEBERMAN), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of

amendment No. 235 intended to be proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 236

At the request of Mr. DEWINE, the names of the Senator from Arizona (Mr. MCCAIN), the Senator from Maine (Ms. COLLINS), the Senator from Massachusetts (Mr. KERRY), the Senator from Alaska (Mr. STEVENS), and the Senator from Oregon (Mr. SMITH) were added as cosponsors of amendment No. 236 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 238

At the request of Mr. LEAHY, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of amendment No. 238 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 249

At the request of Mr. KERRY, the names of the Senator from Vermont (Mr. JEFFORDS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from California (Mrs. FEINSTEIN), the Senator from Washington (Mrs. MURRAY), the Senator from Vermont (Mr. LEAHY), the Senator from Maine (Ms. COLLINS), and the Senator from Maine (Ms. SNOWE) were added as cosponsors of amendment No. 249 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 253

At the request of Mr. CONRAD, his name was added as a cosponsor of amendment No. 253 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

At the request of Ms. LANDRIEU, her name was added as a cosponsor of amendment No. 253 proposed to H. Con. Res. 83, supra.

AMENDMENT NO. 302

At the request of Mr. DOMENICI, his name was added as a cosponsor of amendment No. 302 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

At the request of Mr. MURKOWSKI, his name was added as a cosponsor of amendment No. 302 proposed to H. Con. Res. 83, supra.

At the request of Mr. BINGAMAN, the names of the Senator from Maine (Ms. COLLINS), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Missouri (Mrs. CARNAHAN), the Senator from Indiana (Mr. BAYH), and the Senator from Maine (Ms. SNOWE) were added as cosponsors of amendment No. 302 proposed to H. Con. Res. 83, supra.

At the request of Mr. CONRAD, his name was added as a cosponsor of amendment No. 302 proposed to H. Con. Res. 83, supra.

At the request of Mr. JEFFORDS, his name was added as a cosponsor of amendment No. 302 proposed to H. Con. Res. 83, supra.

AMENDMENT NO. 303

At the request of Mr. DOMENICI, his name was added as a cosponsor of amendment No. 303 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

At the request of Mr. BAUCUS, his name was added as a cosponsor of amendment No. 303 proposed to H. Con. Res. 83, supra.

At the request of Mr. ENZI, his name was added as a cosponsor of amendment No. 303 proposed to H. Con. Res. 83, supra.

At the request of Mr. CONRAD, his name was added as a cosponsor of amendment No. 303 proposed to H. Con. Res. 83, supra.

At the request of Mr. JOHNSON, his name was added as a cosponsor of amendment No. 303 proposed to H. Con. Res. 83, supra.

At the request of Mr. THOMAS, his name was added as a cosponsor of amendment No. 303 proposed to H. Con. Res. 83, supra.

At the request of Mr. BINGAMAN, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of amendment No. 303 proposed to H. Con. Res. 83, supra.

AMENDMENT NO. 312

At the request of Mr. NELSON of Florida, his name was added as a cosponsor of amendment No. 312 intended to be proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 313

At the request of Mr. NELSON of Florida, his name was added as a cosponsor of amendment No. 313 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 316

At the request of Mr. GRASSLEY, his name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

At the request of Mr. ROCKEFELLER, his name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Mr. GRAHAM, the names of the Senator from Minnesota (Mr. WELLSTONE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. CORZINE), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Massachusetts (Mr. KERRY), the Senator from New Mexico (Mr. BINGAMAN), and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Mrs. HUTCHISON, her name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Ms. COLLINS, her name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Mrs. MURRAY, her name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Mr. SCHUMER, his name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Mrs. CARNAHAN, her name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Ms. SNOWE, her name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

AMENDMENT NO. 317

At the request of Mr. GRAHAM, the names of the Senator from Arkansas (Mr. HUTCHINSON), the Senator from Washington (Mrs. MURRAY), the Senator from New York (Mrs. CLINTON), the Senator from Louisiana (Ms. LANDRIEU), and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of amendment No. 317 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 325

At the request of Mr. DOMENICI, his name was added as a cosponsor of amendment No. 325 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

At the request of Mr. INOUYE, his name was added as a cosponsor of amendment No. 325 proposed to H. Con. Res. 83, supra.

At the request of Mr. CONRAD, his name was added as a cosponsor of amendment No. 325 proposed to H. Con. Res. 83, supra.

AMENDMENT NO. 334

At the request of Mr. INHOFE, the names of the Senator from Virginia (Mr. ALLEN), the Senator from Louisiana (Mr. BREAUX), the Senator from Virginia (Mr. WARNER), the Senator from Florida (Mr. GRAHAM), the Senator from Idaho (Mr. CRAIG), the Senator from Idaho (Mr. CRAPO), the Senator from South Dakota (Mr. DASCHLE), the Senator from Illinois (Mr. DURBIN), the Senator from South Dakota (Mr. JOHNSON), the Senator from Nebraska (Mr. HAGEL), the Senator from Wyoming (Mr. ENZI), the Senator from Washington (Mrs. MURRAY), the Senator from California (Mrs. FEINSTEIN), the Senator from Minnesota (Mr. WELLSTONE), the Senator from Nebraska (Mr. NELSON), the Senator from Wyoming (Mr. THOMAS), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Colorado (Mr. CAMPBELL), the Senator from Hawaii (Mr. AKAKA), the Senator from Tennessee (Mr. FRIST), and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of amendment No. 334 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS—APRIL 5, 2001

By Mr. HATCH (for himself, Mr. HARKIN, Mr. CAMPBELL, Mr. DURBIN, Mr. DASCHLE, Mr. ROBERTS, Mr. DAYTON, Mr. CONRAD, Mr. DORGAN, Mr. JOHNSON, Mr. FEINGOLD, Mr. KOHL, Mr. NELSON of Nebraska, Mr. GRASSLEY, Mr. LUGAR, Mr. BOND, Mr. BROWNBACK, Mrs. FEINSTEIN, Mr. AKAKA, Mr. BINGAMAN, Mr. BAUCUS, Mr. BURNS, Mr. CRAIG, Mr. ENZI, Mr. THOMAS, Mrs. LINCOLN, Mr. EDWARDS, Mr. HOLLINGS, Mr. HELMS, Mrs. CLINTON, Mr. CRAPO, Ms. MIKULSKI, Mr. LEAHY, Mr. FITZGERALD, Mr. WYDEN, Mr. ROCKEFELLER, Mr. ALLARD, and Ms. STABENOW):

S. 708. A bill to provide the citizens of the United States and Congress with a report on coordinated actions by Federal agencies to prevent the introduction of foot and mouth disease and bovine spongiform encephalopathy into the United States and other information to assess the economic and public health impacts associated with the potential threats presented by those diseases; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HATCH. Mr. President, I rise today to introduce the Animal disease Risk Assessment, Prevention, and Control Act of 2001. I want to thank my friend and colleague, Senator TOM HARKIN, for his partnership in developing this bipartisan bill. I also want to recognize Senator CAMPBELL's exceptional leadership in bringing to the forefront of public discussion the issue of the health of our domestic cattle herds. We are joined in cosponsorship by Senators DURBIN, LUGAR, DASCHLE, and LEAHY, as well as over one-third of the Senate in this bipartisan effort.

Our bill makes clear the Congress' commitment to our livestock industry and to ensuring our public health. Our goal is to make certain that the Congress and the American public are fully informed as to the reliability of our nation's animal health inspection system, its ability to protect our domestic herds and the American public from the potential introduction into the United States of foot and mouth disease and bovine spongiform encephalopathy (BSE), commonly referred to as mad cow disease. The presence of either of these diseases would have staggering economic consequences for our country.

In addition, it is imperative, as this bill directs, that we learn more about the possible public health consequences of BSE so that we can be confident that our nation continues to successfully prevent any potentially negative impacts on human or animal health. Americans from Salt Lake city, Iowa City and across the country need to maintain confidence that the beef products they purchase and consume are safe.

The public has no doubt heard the media reports on the recent cases in Europe of BSE and the outbreak of FMD, and they have heard about the devastating effect these outbreaks have had on the livestock industries in that part of the world. With all this media coverage, misconceptions have arisen which could make matters worse than the situation merits.

The public deserves to know the facts surrounding these animal diseases, their threat to public health, and their potential means of transmission. This is one of the basic goals of our legislation—to help overcome the lack of information associated with these diseases. However, in the unfortunate event that it becomes necessary to fight this disease at home, we must ensure that the government and other officials have the necessary tools to move swiftly and completely to control these diseases in the United States.

We have been successful so far in preventing the return of FMD to the United States. No case of BSE has ever been identified in the United States. This bill is intended to continue that success into the future.

Here is what the bill does in a nutshell. The legislation lays out a series of detailed findings that set forth the current state of knowledge with respect to these two diseases. A key provision of the bill requires the Secretary of Agriculture to submit two reports to Congress. The first report, to be submitted in 30 days of enactment, requires the Administration to identify any immediate needs for additional legislative authority or funding. The second report, to be submitted within 180 days of adoption, requires the submission of a comprehensive analysis of the risks of FMD and BSE to American livestock and beef products, the potential economic consequences if FMD or BSE are found in the United States, and information concerning the potential linkage between BSE and variant Cruetzfeldt-Jacab Disease (vCJD), a condition affection humans.

The legislation requires the Secretary of Agriculture to consult with the Secretaries of State, Treasury, Defense, Commerce, Health and Human Services, the United States Trade Representative, the Director of the Federal Emergency Management Agency, and other appropriate federal personnel when she develops both the reports mandated by this bill. In addition, in issuing the comprehensive 180 day report, the Secretary of Agriculture must consult with international, State, and local government animal health officials, experts in infectious disease research, prevention and control, livestock experts, representatives of blood collection and distribution entities, and representatives of consumer and patient organizations. A chief goal of that report is to help devise a coordinated plan to prevent the introduction of FMD and BSE into the United States and to help identify the proper corrective steps if FMD and BSE find their way into our country.

Mr. President, let me take this opportunity to comment upon some common myths on this issue. First, the public should know that there is no known etiologic relationship between BSE and FMD. While it is true that these diseases have occurred in the same region within a shared timeframe, the fact is that the two diseases are quite distinct and have occurred independently from one another.

BSE is a transmissible, neuro-degenerative disease in cattle. The disease is believed to have an incubation period of years, but once active in cattle it can quickly become fatal in a matter of a few weeks. It is carried in the brain and spinal cord of the animal, not in the meat products normally consumed by humans.

In a practice banned in the U.S., cattle in Great Britain were fed protein products derived from other animal products, which may have carried BSE. Scientists believe that this practice led to the spread of BSE in Great Britain and Europe. I want to emphasize that the importation into the U.S. of grazing animals from BSE-prevalent countries has been forbidden since 1997. I also want to point our that U.S. law also prohibits the feeding of most animal proteins to grazing animals.

As for foot and mouth disease, it is a highly contagious virus affecting cloven hoofed animals, including cattle, swine, sheep, goats, deer, and others. Although this disease was eradicated in the U.S. in 1929, it could be reintroduced by a single infected animal or animal product form another country, or by a person or conveyance that carries the virus from another country. It can then spread quickly among our domestic herds by animal contact or through the aerosol transmission. We cannot afford to allow that to happen.

The disease can be carried by the wind from one animal to another. Animals infected by FMD can be cured by injections, however, the infected animal will continue to spread the disease during recovery. For that reason, the preferred remedy is to slaughter the animal before it can spread the disease further. To be safe, the entire herd will often be killed even if only one or two animals are found to be infected. This is why our bill also contains a provision to determine whether adequate compensation would be available under existing programs for producers suffering losses from destruction of affected herds.

Mr. President, another concern held by some is that there is a strong risk of humans being infected by these diseases, either by eating meat or through some other means of transmission.

Let me first discuss BSE. There are, in fact, human spongiform encephalopathies. An example of such a disease is the recently discovered variant of Cruetzfeldt-Jacab Disease. Scientists have not determined that a definitive causal link exists between BSE and variant Cruetzfeldt-Jacob Disease or other spongiform encephalopathies found in humans. The Centers for Disease Control and Prevention (CDC) has stated: ''Although there is strong evidence that the agent responsible for these human cases is the same agent responsible for the BSE outbreaks in cattle, the specific foods that may be associated with the transmission of this agent from cattle to humans are unknown.'' Scientists are currently studying the issue further and the Animal Health Risk Assessment, Prevention, and Control Act of 2001 encourages such research.

While these studies are ongoing, the Food and Drug Administration (FDA) has acted to minimize the spread of human spongiform encephalopathies in the United States by disqualifying any individual who lived in the United Kingdom for more than six months since 1980 from donating blood while in the U.S.

With respect to foot and mouth disease, it is principally an animal disease and is not thought to be threatening to human health. Humans can, however, spread the disease to animals.

I am concerned that based on the outbreak of these diseases in Europe and the potential for spread into the U.S., consumers might question the safety and wholesomeness of animal products sold in this country. Because of our vigilance in the past our nation has a very safe and wholesome meat supply, and we should be proud of that. In fact, other nations have been seeking out American meat products, because they know that our animals health system is strong and has successfully kept these diseases out of our domestic livestock herds.

Mr. President, the Animal Health Risk Assessment, Prevention, and Control Act of 2001, will help the United States to maintain the safety of our food supply and will help our nation to evaluate the sufficiency of the steps taken, or planned, to protect our citizens from any potential untoward impacts if these animal diseases enter into the United States.

Mr. HARKIN. Mr. President, today I am pleased to join Senator HATCH and thirty-seven other Senators in introducing the Animal Disease Risk Assessment, Prevention, and Control Act of 2001. This legislation helps make sure that our country is on a solid footing to protect our country's public and economy from the astounding losses that could come from an animal disease such as Food and Mouth Disease, FMD, or Bovine Spongiform Encephalopathy, BSE, arriving on our shores.

As we know all too well from observing the experience of the EU, either of these diseases could potentially wreak tens of billions of dollars in lost livestock and markets if they were ever found in the U.S. BSE, with its suspected linkages to New Variant Creutzfeld-Jacob Disease, could cause some Americans to suffer its cruel, fatal effects.

Fortunately, we have an animal and public health system that has successfully prevented either of these diseases from entering our country. This is testimony to the men and women who work each day to protect our nation from foreign animal diseases. But the price of this success is unremitting vigilance. We must ensure there are no gaps in our defenses. The sheer volume of travel and commerce between the United States and the European Union is placing unprecedented strain on our animals health system.

This legislation will give Congress a clearer picture of where the potential risks to animal and human health may lie, and what must be done to prevent them. It will provide Congress and the public with a blueprint for what is currently being done, and what must be done in the future.

The health of our animals is inextricably linked with the health of our populace and economy. It is crucial to continuing to provide a safe, abundant supply of food. I hope this legislation will be passed quickly, to send a clear message that Congress stands ready to do what it takes to ensure that our success in protecting our shores from FMD and BSE remains unbroken.

Mr. DASCHLE. Mr. President, the outbreak of Foot and Mouth Disease, FMD, and Bovine Spongiform Encephalopathy, BSE, among some of our closest trading partners is cause for heightened attention to our ability to prevent the spread of these diseases to the United States. Although the U.S. has not had an outbreak of Foot and Mouth Disease since 1929, and has had no known cases of BSE, their recent spread in Europe and other countries has raised serious concerns domestically. Given the extremely contagious nature of FMD, an outbreak in the U.S. could be catastrophic to the domestic farm economy, and would have serious ramifications for other economic sectors as well. BSE is not as contagious as FMD, but it causes a disease in humans that is fatal. Overall, BSE is much less well understood than FMD, which is itself a risk factor.

I appreciate the significant work of USDA and other agencies to control the threat that FMD and BSE may pose to human health, in the case of BSE, and the health of domestic livestock and wildlife. However, we must do more, and we must do it quickly. I believe that the Administration's efforts would benefit from greater coordination among federal agencies, and increased attention to the availability of public information. Additionally, Congress needs data relevant to the development of longer-term disease prevention and management strategies, and guidance as to whether the Administration will require increased statutory or funding to respond to this situation appropriately and expeditiously.

In an effort to contain the spread of FMD, South Dakota has instituted restrictions on individuals traveling from

countries with confirmed cases. However, American embassies in the European Union, and possibly other countries, are not aware of these restrictions related to its containment. Additionally, airport and airline personnel appear to be inadequately informed about the need for travelers re-entering this country to take appropriate measures to avoid introducing the disease to U.S. livestock or wildlife.

A constituent of mine recently reported that a visitor coming to South Dakota from France contacted the American Embassy there to inquire about potential restrictions prior to his trip, but was told they knew of none. In fact, the state of South Dakota has banned visits to farms, sale barns and a list of other facilities for five days prior to travel, and contact with livestock or wildlife for five days after arrival in the U.S. In another incident, two producers who were part of a tour group returning from Ireland through Chicago O'Hare International Airport independently sought out disinfectant for their shoes and other belongs before returning to the state, after realizing that no airport or airline personnel were requiring travelers to take any such precautions.

This week I have worked with my colleagues on both sides of the aisle to draft a bill to address these needs. Today, I join Senators HARKIN and HATCH, and over 40 of our colleagues, to introduce The Animal Disease Risk Assessment Prevention and Control Act of 2001. The bill would require USDA, in consultation with other relevant federal agencies, to submit what I think will be very valuable information to Congress, in the shortest time feasible.

First, the bill would require USDA to provide information about the Administration's FMD and BSE prevention and control plan, including: 1. how federal agencies are coordinating their activities on FMD and BSE; 2. how federal agencies are communicating information on FMD and BSE to the public; and 3. whether the Administration needs additional legislative authority or funding to most appropriately manage the threat that FMD, BSE, or related diseases may pose to human health, livestock, or wildlife.

Second, the bill would require USDA to provide information relevant to a longer-term disease prevention and management strategy for reducing risks in the future, including: 1. The economic impacts associated with the potential introduction of FMD, BSE, or related diseases into the United States; 2. The potential risks to public and animal health from FMD, BSE, and related diseases; and 3. recommendations to protect the health of our animal herds and our citizens from these risks, including, if necessary, recommendation for additional legislative authority or funding.

One of the most important steps we can take to prevent the introduction of FMD and BSE to the U.S. is also one of the simplest: improved access to information. In addition to the actions USDA, FDA and other agencies are taking to control the diseases, it is imperative that the State Department, the Department of Treasury, the Department of Transportation, the Department of Defense, and other agencies act immediately to provide the best possible information to travelers, the military, and others, including news of sanitation, travel restrictions, and other precautions.

Again, I commend the actions USDA and other agencies to prevent the incidence of these diseases abroad from creating a crisis in the U.S. I think we all appreciate the sensitivity of this issue, and that no one gains from exaggerating or misrepresenting potential risks in a situation such as this. Neither would the U.S. benefit in the long run by limiting trade with other countries for reasons other than those that are purely health and safety-related, and can be scientifically substantiated. At the same time, we have every right to protect the health of our domestic livestock industry in a pro-active and comprehensive manner. To that end, I look forward to passing this legislation quickly, so we can ensure that the Administration has the information and resources it needs to respond to this situation and to ensure that the public is fully aware of the steps being taken on their behalf.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS—APRIL 6, 2001

By Mr. BOND (for himself and Mr. BREAUX):

S. 724. A bill to amend title XXI of the Social Security Act to provide for coverage of pregnancy-related assistance for targeted low-income pregnant women; to the Committee on Finance.

Mr. BOND. Mr. President, I rise today to introduce a bill that I believe is vitally important to the health care of children and pregnancy women in America. The goal of this legislation is simply, to make sure more pregnancy women and more children are covered by health insurance so they have access to the health care services they6 need to be healthy.

The need is great, on any given day, approximately 11 million children and close to half a million pregnant women do not have health insurance coverage. For many of these women and children, they or their family simply can't afford insurance, and lack of insurance often means inability to pay for care. The further tragedy is that quite a few are actually eligible for a public program like Medicaid or the State Children's Health Insurance Program, but many of those don't know they are eligible and are not signed up.

Lack of health insurance can lead to numerous health problems, both for children and for pregnant women. A child without health coverage is much less likely to receive the health care services that are needed to ensure the child is healthy, happy, and fully able to learn and grow. An uninsured pregnant woman is much less likely to get critical prenatal care that reduces the risk of health problems for both the woman and the child. Babies whose mothers receive no prenatal care or late prenatal care are at-risk for many health problems. including birth defects, premature births, and low birthweight.

The bill I am introducing deals with this insurance problem in two ways.

First, it allows states to provide prenatal care for low-income pregnant women under the State Children's Health Insurance Program—also known as SCHIP—if the state chooses.

Through the joint federal-state SCHIP program, states are currently expanding the availability of health insurance for low-income children. However, federal law prevents states from using SCHIP funds to provide prenatal care to low-income pregnant women over age 19, even though babies born to many low-income women become eligible for SCHIP as soon as they are born.

Approximately 41,000 additional women could be covered for prenatal care. There are literally billions of dollars of SCHIP funds that states have not used yet, so I would hope that most states would choose this option. This provision will not impact federal SCHIP expenditures because it does not change the existing federal spending caps for SCHIP. Babies born to pregnant women covered by a state's SCHIP program would be automatically enrolled and receive immediate coverage under SCHIP themselves.

It is foolish to deny prenatal care to a pregnant mother and then, only after the baby is born, provide the child with coverage under SCHIP. Prenatal care can be just as important to a newborn baby as postnatal care, and the prenatal care is of course important for the mother as well.

We know that states will be interested. Two states have already gone through the difficult Health Care Financing Administration waiver process to get permission to cover pregnant women through their SCHIP programs. But you shouldn't have to get a waiver to do something that makes so much sense. This bill will make it an automatic option that any state can do without the need of a waiver.

Second, the bill will help states reach out to women and children who are eligible for, but are not enrolled in, Medicaid or SCHIP. Approximately 340,000 pregnant women and several million children are estimated to be eligible for but not enrolled in Medicaid. Millions of additional children are eligible for but not yet enrolled in SCHIP. We must reach out to these people to make sure they know they have options which they are not using.

When Congress passed the welfare reform bill back in 1996, we created a $500 million fund that states could tap into to make sure that all Medicaid-eligible

people stayed in Medicaid. The problem is that only half of that fund has been used. My bill would give states more flexibility to use this fund to reach out to both Medicaid and SCHIP-eligible women and children.

In addition, my bill tries to make greater use of what is known as presumptive eligibility. Under presumptive eligibility, states are allowed to temporarily enroll children whose family income appears to be below Medicaid or SCHIP income standards, until a final determination of eligibility is made. This is useful because it allows people to get health care services at the same time that they are waiting, sometimes for as much as a month or two, for a final eligibility determination.

Without presumptive eligibility, experience has shown that fewer people will fill out the applications forms, and fewer people will be willing to wait until a final decision is made. When it comes to trying to ensure that people get health care, we need to remove as many barriers as possible. That is why presumptive eligibility is useful, it removes a barrier.

Right now, states may grant presumptive eligibility for both pregnant women in Medicaid and for children in Medicaid and in SCHIP. Because my legislation would allow pregnant women to be covered through SCHIP for the first time, my bill also extends presumptive eligibility for pregnant women into the SCHIP program. In addition, in legislation passed last December, Congress expanded the types of sites states can use to grant presumptive eligibility for children to also include schools and other entities that states think will be able to identify people eligible for these programs. However, we failed to give states the ability to use these additional entities as sites to enroll pregnant women. My bill would correct that omission.

The bottom line is that this bill will help provide health care to more pregnant women. With hundreds of thousands of pregnant women lacking insurance, and with hundreds of thousands lacking adequate prenatal care, we are compelled to focus on this issue.

I believe this is crucial legislation, and urge my colleagues to join me in support of it so that we can pass this bill.

By Mr. GRASSLEY:

S. 725. A bill to amend the Internal Revenue Code of 1986 to codify the authority of the Secretary of the Treasury, to issue regulations covering the practices of enrolled agents before the Internal Revenue Service; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, today I rise to introduce the Enrolled Agent Credentials Protection Act. This legislation would make it clear that Enrolled Agents have the right to use their federally granted credentials, by making it clear that states shall not restrict enrolled agents from using the words ''Enrolled Agent'' or the abbreviations ''EA'' and ''E.A.''

A number of states have enacted laws that restrict the right of Enrolled Agents to use their credentials or designations as Enrolled Agents. The Supreme Court has held in similar situations that because the Federal Government grants the license, restricting its use is an unmerited exercise of state powers. This legislation is consistent with the Uniform Accountancy Act, Third Edition, as drafted by the American Institute of Certified Public Accountants and National Association of State Accountancy Boards.

Enrolled Agents have been providing valuable services to taxpayers since 1884. Since that time, the profession has evolved and now includes preparing and advising on tax returns for individuals, partnerships, corporations, estates, trusts and any entity with tax-reporting requirements. They also provide affordable representation to individuals and small businesses with disputes before the Internal Revenue Service. At present, there are approximately 35,000 Enrolled Agents in the country providing practical and affordable tax service to taxpayers.

Enrolled Agents are highly qualified tax professionals. While certified public accountants and licensed attorneys also represent taxpayers before the Internal Revenue Service, only Enrolled Agents are required to demonstrate to the IRS their technical competence in the field of taxation. In order to maintain their status as Enrolled Agents, they must take 72 hours of continuing professional education, reported every three years to the IRS. Because Enrolled Agents focus on federal taxes and tax administration, they are able to keep on the forefront of current changes in the law and regulations.

The Enrolled Agent designation dates to the Enabling Act of 1884 and the profession is regulated by Treasury Circular 230, the same body of regulations that governs the practice of attorneys and certified public accountants before the Internal Revenue.

This bill would restate the statutory validation that Enrolled Agents hold and allow them the right to use their credentials as Enrolled Agents. In doing so, this bill does not add to the powers that Enrolled Agents currently maintain, nor would it affect the rules and regulations provided for in Treasury Circular 230.

Section 10.30 of Circular 230 authorizes Enrolled Agents to advertise and display their ability to practice before the IRS provided the designation is not misleading or deceptive to the public. Neither Congress nor the Treasury Department ever intended for states to interfere with the right of Enrolled Agents to inform taxpayers that they hold a license to practice before the Internal Revenue Service.

By Mr. BREAUX (for himself, Mr. THOMPSON, Mr. MILLER, Mr. CLELAND, Ms. LANDRIEU, Mr. SHELBY, Mr. BUNNING, and Mr. FRIST):

S. 726. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of prepayments for natural gas; to the Committee on Finance.

Mr. BREAUX. Mr. President, I am introducing legislation today to address a problem that has prevented municipal gas systems from using their tax exempt borrowing authority to obtain an assured, long-term supply of competitively-priced natural gas. I am joined today by my colleagues, Senators THOMPSON, MILLER, CLELAND, LANDRIEU, SHELBY, BUNNING and FRIST.

There are approximately 1,000 publicly owned gas distribution systems in the United States, the vast majority of which are located in small towns and rural communities across my home state of Louisiana and across the country. In 1993, the Federal Energy Regulatory Commission, FERC, restructured the natural gas industry so that municipal gas systems could no longer purchase natural gas supplies on a reliable and regulated basis from interstate natural gas pipelines. This fundamental change in the marketplace meant that for the first time municipal gas systems had to acquire reliable gas supplies and transport on their own in a deregulated marketplace. In response, many formed joint action agencies—as contemplated in the FERC restructuring, to acquire and manage the delivery of gas.

In today's turbulent natural gas markets, long-term prepaid supply arrangements are the most reliable means of obtaining an assured supply of natural gas. To fund prepaid supply contracts, a municipality or a joint action agency issues tax-exempt bonds. These contracts contain stiff penalties if the supplier fails to fulfill its contract—making this the most reliable gas supply that municipal gas agencies can purchase. The seller discounts the price for several reasons including the fact that a prepaid contract eliminates the normal credit risk associated with selling gas to non-rated governmental entities. Municipal gas systems are able to obtain these firm gas supplies at more competitive prices. Until August of 1999, joint action agencies entered into prepayment supply contracts with gas suppliers to obtain a long-term, e.g., 10-year, supply of gas.

In August 1999, the IRS effectively prevented municipal gas systems from using their tax-exempt borrowing authority to fund the purchase of long-term, prepaid supplies of natural gas for their citizens. In a statement on an unrelated matter, the IRS questioned whether the purchase of a commodity, such as natural gas, under a prepaid contract financed by tax-exempt bonds has a principal purpose of earning an investment return. In this scenario, the bonds would run afoul of the arbitrage rules of the Internal Revenue Code.

Confusion over the IRS' statement and fear of impending regulations has

led to the effective elimination of an extremely effective method of securing natural gas for local communities. The IRS has yet to issue any clarification or guidance on this issue.

Under current law, tax-exempt bonds may not be used to raise proceeds that are then used to acquire ''investment-type property'' having a higher yield than the bonds. Governmental bonds that violate this arbitrage restriction do not qualify for tax-exempt status. Treasury regulations provide that investment-type property includes certain prepayments for property or services ''if a principal purpose for prepaying is to receive an investment return.'' But, ''a prepayment does not give rise to investment-type property if . . . the prepayment is made for a substantial business purpose other than investment return and the issuer has no commercially reasonable alternative to the prepayment. . . .'' A nearly identical standard is used to determine whether a prepayment transaction is treated as a loan for purposes of the private loan-financing test. If a transaction is considered a private loan financing, the bonds are treated as private activity bonds. Although municipal gas systems clearly have a ''substantial business purpose'' for entering into prepayment transactions and ''no commercially reasonable alternative,'' the lack of clarification on this IRS language has hampered the most efficient tool available to public gas systems to secure long-term supplies of natural gas.

The bill does not overturn current law or any IRS regulations. It simply clarifies the law, both with respect to the arbitrage rules and the private loan financing rules, to allow an effective and reasonably-priced energy delivery system to continue unimpeded.

The United States is in the midst of an energy crisis. Natural gas distribution systems are scrambling to obtain an assured supply of natural gas, even while prices have skyrocketed in the last few months. The ability of small communities to use their tax-exempt borrowing authority to obtain a long-term, assured supply of competitively-priced natural gas is essential. By clarifying current law, we provide a low-cost natural gas option for millions of Americans across the country.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 726

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Municipal Utility Natural Gas Supply Act of 2001''.

SEC. 2. ARBITRAGE RULES NOT TO APPLY TO PREPAYMENTS FOR NATURAL GAS.

(a) IN GENERAL.—Subsection (b) of section 148 of the Internal Revenue Code of 1986 (defining higher yielding investments) is amended by adding at the end the following new paragraph:

''(4) EXCEPTION FOR CERTAIN PREPAYMENTS TO ENSURE NATURAL GAS SUPPLY.—The term 'investment property' shall not include any prepayment for the purpose of obtaining a supply of natural gas reasonably expected to be used in a business of 1 or more utilities each of which is owned and operated by a State or local government, any political subdivision or instrumentality thereof, or any governmental unit acting for or on behalf of such a utility.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 1301 of the Tax Reform Act of 1986.

SEC. 3. PRIVATE LOAN FINANCING TEST NOT TO APPLY TO PREPAYMENTS FOR NATURAL GAS.

(a) IN GENERAL.—Paragraph (2) of section 141(c) of the Internal Revenue Code of 1986 (relating to exception for tax assessment, etc., loans) is amended by striking ''or'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', or'', and by adding at the end the following new subparagraph:

''(C) arises from a transaction described in section 148(b)(4).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1301 of the Tax Reform Act of 1986.

By Ms. COLLINS (for herself and Mr. FEINGOLD):

S. 727. A bill to provide grants for cardiopulmonary resuscitation (CPR) training in public schools; to the Committee on Health, Education, Labor, and Pensions.

Ms. COLLINS. Mr. President, I am pleased to be joining with my colleague from Wisconsin, Senator RUSS FEINGOLD, in introducing the Teaching Children to Save Lives Act which will help train a generation of potential lifesavers by providing funding for programs to teach children the basic life-saving skill of cardiopulmonary resuscitation, or CPR.

Approximately 220,000 Americans die each year of sudden cardiac arrest. The American Heart Association estimates that about 50,000 of these lives could be saved each year if more people implemented what it calls the ''Chain of Survival,'' which includes an immediate call to 911, early CPR and defibrillation, and early advanced life support. The Teaching Children to Save Lives Act, which we are introducing today, will help strengthen the second link in this chain by providing grants to schools to implement CPR training programs. Schools could use these funds to work in conjunction with community organizations such as local fire and police departments, hospitals, parent-teacher associations and others to provide CPR training. The legislation authorizes $30 million over three years for the Department of Health and Human Services to award grants to States to support these community partnerships and to help schools train teachers and purchase materials such as mannequins. Those schools that are fortunate enough to have CPR programs will be able to apply for funding to help train students in the use of automated external defibrillators, a life-saving device that shocks a heart back to its normal rhythm when it stops beating.

We have all heard stories about situations where a school age child or teenager has been the witness, perhaps the only witness, to a heart attack or other health emergency. Many kids, and adults for that matter, simply don't know what to do in the face of such an emergency. Given the proper training, however, our young people are perfectly capable of responding to calmly and appropriately to a life-threatening situation.

For example, the Red Cross in Maine recently honored Sara Boyorak, a student at Bangor High School, for her quick response when her 22-month old nephew Blake, suddenly stopped breathing. Sara was riding in the car with Blake and her parents to a family get-together. It was a miserably hot day and Blake was suffering from a terrible ear infection. Sara was entertaining Blake in his car seat when he suddenly stopped responding to her. She then noticed that his face was turning a bluish color. Evidently, the heat of the day combined with the fever from his ear infection had caused Blake to stop breathing.

Sara had taken CPR in a Red Cross class at her school so she was prepared and knew just what to do. She immediately leaped into action and initiated the ''Chain of Survival.'' She directed her father to stop the car and her mother to call 911 on the cell phone. She then placed Blake on the back seat of the car, and, when she had determined that he was not breathing and had no pulse, she started performing CPR, just as she had learned in her class. As a consequence of her quick action, Blake regained consciousness before the ambulance arrived, and will soon be celebrating his third birthday, thanks to his Aunt Sara.

The Teaching Children to Save Lives Act will enable more school children like Sara to learn the CPR skills they may need to save the life of a family member or loved one. Moreover, teaching CPR to our children and teens will not only improve their confidence in responding to emergencies, but it will also encourage them to update and maintain these skills into adulthood.

The Teaching Children to Save Lives Act is supported by coalition of groups including the American Heart Association, the Red Cross, the National Education Association, and the School Nurses Association, and I urge all of my colleagues to join us in cosponsoring the legislation.

Mr. FEINGOLD. Mr. President, I rise today to join my friend and colleague from Maine to introduce the ''Teaching Children to Save Lives Act.'' This legislation will help schools in their efforts to provide students with chain of survival training, including training in cardiopulmonary resuscitation, CPR, and in the use of Automated External Defibrillators, AEDs. It is vital that we support local and community based efforts to equip younger generations

with the necessary skills to deal with life-threatening cardiac emergencies.

Over two hundred twenty thousand Americans die each year of sudden cardiac arrest. About 50,000 of these victims lives could be saved each year if more people implemented the ''Chain of Survival,'' which includes an immediate call to 911, early CPR and defibrillation, and early advanced life support. The Teaching Children to Save Lives Act will help strengthen the second link in the Chain by providing grants to schools to implement CPR training programs and help some schools train their students in AED use.

In Wisconsin, we've seen many examples where a school age child or teenager is the first witness to a heart attack. Unfortunately, most kids would not know what to do in the face of such an emergency. As a matter of fact, many adults wouldn't know what to do either. In response to this break in the chain of survival, a number of localities have pushed for increased CPR training and public access to defibrillation in schools.

In my home state of Wisconsin, a broad coalition including the Children's Hospital of Wisconsin, the American Red Cross, the American Heart Association and the Children's Hospital Foundation created Project Adam in memory of a student who tragically collapsed and passed away while playing competitive sports. This legislation follows the lead of Project Adam, which fosters awareness of the potential for sudden cardiac arrest in the adolescent population and facilitates training of high school staff and students in CPR and in the use of AEDs.

The Teaching Children to Save Lives Act builds on these efforts by providing funding to teach the basics of the chain of survival and provide funding for AED training devices. This legislation also has sufficient flexibility to allow States and communities the ability to address their local needs. For example, schools could either begin their efforts to teach the Chain of Survival by starting a CPR training program or build on existing efforts by applying for grants to train students to use automatic external defibrillators. As a result of Project Adam, at least one life has been saved so far and three other children have survived episodes because of early defibrillation.

Many of our schools lack the resources they need for basic health educational programs. This legislation would follow the lead of local efforts such as Project Adam and demonstrate that the Federal government wants to be a partner in these lifesaving efforts.

I want to especially thank my friend from Maine, Senator COLLINS, who has worked with me to improve the chain of survival across the United States. Without her leadership last year on our legislation to improve access to defibrillators in rural areas, we would not have been able to move forward with legislation that will improve cardiac survival rates across rural communities.

I hope my colleagues will join us in our continued efforts to improve cardiac arrest rates by working with us to pass this important legislation to provide communities the support they need to effectively teach CPR in the schools.

By Mr. KOHL (for himself, Mr. DORGAN, and Mr. CONRAD):

S. 728. A bill to establish a demonstration project to waive certain nurse aide training requirements for specially trained individuals who perform certain specific tasks in nursing facilities participating in the medicare or medicaid programs, and to conditionally authorize the use of resident assistants in such nursing facilities; to the Committee on Finance.

Mr. KOHL. Mr. President, I rise today to introduce the Medicare and Medicaid Nursing Services Quality Improvement Act. I am pleased to work with Senators DORGAN and CONRAD in this important effort to improve the quality of care in our nation's nursing homes.

This legislation serves two purposes. First, as part of an 8–State demonstration project, it allows Wisconsin nursing homes to continue utilizing Resident Assistants, or ''single task employees'' as they are referred to in Wisconsin, to help provide care to residents. Second, it provides for a thorough evaluation of Resident Assistants to assess their impact on quality of care, as well as their impact on the recruitment, retention, and salaries of other nursing staff.

For the past seven years, many nursing facilities in Wisconsin have been utilizing single task employees to help provide care to residents. Single task employees have helped primarily with feeding and hydration services and have provided often-needed extra assistance during the busier mealtime hours. All single task employees must go through a training program. In many cases, those who perform these single tasks are already on staff serving in other non-nursing capacities.

Last year, the Health Care Financing Administration, HCFA, notified the State of Wisconsin that the use of single task employees in nursing homes was not permissible under Federal law. In particular, HCFA noted that only staff who have undergone the required training to become a Certified Nurse Aide, CNA, may perform nursing-related tasks in Medicaid facilities. Therefore, faced with no other recourse, Wisconsin submitted and HCFA approved a plan to phase out the use of single task employees by the end of 2001.

I am deeply concerned that the immediate removal of all single task employees could worsen staffing shortages that many Wisconsin nursing homes already face. A December, 2000 survey of 247 Wisconsin nursing homes found that nearly 32 percent were currently suspending or restricting admissions or had done so in the prior six months due to inadequate staffing.

I recognize that there are many factors that have contributed to staffing shortages in Wisconsin and across the nation. I believe that we need to look for long-term solutions to strengthen training and improve staffing in nursing homes, and I am committed to working in that effort. We must all work together to find ways to attract greater numbers of qualified people to become CNAs, and ensure they receive the support, training and compensation they deserve for their hard work and dedication.

In the meantime, this legislation provides a short-term solution to address the staffing shortages Wisconsin nursing homes face today. Under the bill, Wisconsin would be one of 8 demonstration States and could continue to use single task workers, referred to in the legislation as ''Resident Assistants'' to account for differences in terminology between States. The information we obtain from these Demonstration States will help us evaluate the impact of Resident Assistants and provide us with valuable insight to improve the quality of nursing home care.

Because this is a Demonstration Project, this bill provides safeguards to closely monitor the use of Resident Assistants. Under the bill, Resident Assistants would be limited to providing assistance with feeding and hydration. All Resident Assistants would be required to go through a training program approved by the State. They must be trained in feeding and hydration skills, recognizing and alerting licensed staff to the signs of malnutrition and dehydration, understanding the aging and disease processes of the elderly, responding to choking emergencies and alerting licensed staff to other emergencies, taking precautions to prevent the spread of disease, and residents' rights. In addition, all Resident Assistants must be supervised at all times by a licensed health professional.

I also want to stress that this bill strictly prohibits nursing homes from replacing certified nursing staff with Resident Assistants, and Resident Assistants may not be counted toward any minimum staffing requirements that nursing homes are or could be required to meet. Let me be clear: Resident Assistants are not intended to serve as a substitute for the specialized care that nurse aides provide. They are intended to be utilized as supplemental help with feeding and hydration services for residents, to provide an extra pair of hands at busier mealtimes, and to provide some assistance to nurse aides who are stretched so thin so they can focus on other critical nursing tasks.

Most importantly, let me reiterate that this is a time-limited demonstration project. This legislation ensures that we collect reliable data on the use of Resident Assistants, which will be

analyzed by an advisory panel made up of nursing home representatives, Long-Term Ombudsmen, State and Federal officials, consumer groups, and labor representatives.

The advisory panel will look at a variety of factors to determine the impact of the project, including: the effect on quality of care compared to non-demonstration States, the effect on staffing levels and ratios in nursing homes, the effect on recruitment, retention and salaries of nursing aides, and resident satisfaction with feeding and hydration services.

The advisory panel will evaluate this data and submit recommendations to the Secretary of the Department of Health and Human Services. The Secretary will then submit a final report to Congress on the demonstration. If the Secretary finds that the Demonstration project resulted in diminished quality of feeding and hydration services, or if recruitment, retention, or salaries of nursing staff decreased as a direct result of the use of Resident Assistants, then the demonstration project would end and all nursing homes must cease using Resident Assistants. However, if the Secretary finds that the demonstration projects were successful, only then may the Secretary expand the use of Resident Assistants nationwide, but with the same safeguards as the demonstration project. They would be limited to feeding and hydration services, required to undergo comprehensive training and be supervised by licensed health professionals, and be subject to the same requirement that they may only augment, not replace nursing staff.

This legislation will not only help stave off an even greater staffing problem in Wisconsin today. It will also give us the opportunity to take a closer look at Resident Assistants so we can make an informed determination as to whether they can help improve the quality of care in our nation's nursing homes. Our nursing homes in Wisconsin believe that Resident Assistants can be a valuable addition, and this bill will allow us to keep an open mind and look at all of the evidence in a thorough evaluation.

This legislation helps address the challenges we face today. At the same time, let me reiterate that I am committed to working with my colleagues to look for longer-term solutions to address staffing shortages in order to ensure quality nursing home care far into the future.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 728

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medicare and Medicaid Nursing Services Quality Improvement Act of 2001''.

SEC. 2. DEMONSTRATION PROJECT TO WAIVE CERTAIN NURSE AIDE TRAINING REQUIREMENTS FOR SPECIALLY TRAINED INDIVIDUALS WHO PERFORM CERTAIN COVERED TASKS IN MEDICARE AND MEDICAID NURSING FACILITIES.

(a) DEMONSTRATION PROJECT.—Not later than October 1, 2001, the Secretary shall conduct a demonstration project under which a resident assistant may perform a covered task for a resident of a covered nursing facility in a demonstration State.

(b) REQUIREMENTS.—

(1) MINIMUM STAFFING REQUIREMENTS NOT AFFECTED.—A resident assistant performing a covered task under this section—

(A) may augment, but not replace, existing staff of a covered nursing facility; and

(B) shall not be counted toward meeting or complying with any requirements for nursing care staff and functions of such a facility, including any minimum nursing staffing requirement imposed under section 1819 or 1919 of the Social Security Act (42 U.S.C. 1395i–3, 1396r).

(2) EXCLUSION OF PARTICIPATION.—

(A) BASED ON REPLACEMENT OF CERTIFIED NURSING STAFF.—

(i) IN GENERAL.—Subject to clause (ii), the Secretary may exclude from participation in the demonstration project any covered facility that the Secretary determines (on the basis of data submitted under subsection (c) or otherwise) has replaced certified nurse assistants with resident assistants.

(ii) LIMITATION.—The Secretary may not exclude a facility under clause (i) unless the Secretary has reviewed all pertinent data that may reflect on a reduction of nursing staff in the facility, including changes in resident population and case mix.

(B) BASED ON POOR TREATMENT RECORDS OR INSUFFICIENT LICENSED STAFF.—The Secretary may exclude from participation in the demonstration project any covered nursing facility that a State survey agency recommends be excluded because of unsatisfactory treatment records or insufficient licensed staff to provide supervision of resident assistants.

(c) DATA COLLECTION.—

(1) DATA REGARDING INITIAL WORKFORCE.—

(A) IN GENERAL.—At the beginning of a covered nursing facility's participation in the demonstration project, the facility shall submit to the appropriate State agency of the demonstration State independently verifiable data regarding the composition of the facility's workforce at the time such participation commences.

(B) DATA REGARDING RESIDENT ASSISTANTS.—Such data shall include—

(i) the number of resident assistants in the facility hired solely to perform covered tasks and the number of such assistants performing additional tasks; and

(ii) the number of residents of the facility who are served by such resident assistants.

(C) TRANSMITTAL OF DATA TO SECRETARY.—The State agency shall forward such data to the Secretary.

(2) DATA REGARDING PERFORMANCE OF RESIDENT ASSISTANTS.—Each such facility shall submit to such State agency data, at such times and in such manner as the Secretary may require, regarding the performance of covered tasks by resident assistants under the demonstration project.

(3) TRANSMISSION OF DATA TO THE SECRETARY.—The State agency shall forward data collected under this subsection to the Secretary. The Secretary shall compile data collected under this section with data collected pursuant to sections 1819 and 1919 of the Social Security Act (42 U.S.C. 1395i–3, 1396r) for purposes of excluding a facility from participation in the project under subsection (b)(2) and performing the analysis under subsection (d)(2).

(d) REPORTS TO CONGRESS.—

(1) ANNUAL REPORTS.—Not later than December 1 of each of 2002 and 2003, the Secretary shall submit to Congress a report on the project, and include an analysis that meets the requirements of paragraph (3).

(2) FINAL REPORT.—Not later than December 1, 2004, the Secretary shall submit a report to Congress required under section 3(c)(2)(B) that includes the recommendations of the advisory panel convened under paragraph (4).

(3) ANALYSIS REQUIREMENTS.—The analysis required under paragraph (1) shall—

(A)(i) examine the effect of resident assistants on the quality of resident care in facilities in demonstration States, and

(ii) compare such quality of resident care with the quality of resident care in facilities in other States,

by employing quality indicators determined by the Secretary, including with regard to nutrition and hydration, nutrition and hydration levels, unplanned weight loss or gain, and the number of citations for nutrition-related violations relating to such residents;

(B) examine the effect of resident assistants on staffing levels and ratios in covered nursing facilities, including staffing levels for duties performed by resident assistants in other capacities in the facility (such as housekeeping or claims processing);

(C) measure the effect that the presence of such resident assistants has on certified nurse assistants, including—

(i) recruitment and retention within the certified nurse assistant profession;

(ii) wage structures in effect for such certified nursing assistants during the demonstration project and, in particular, whether payment under such structures decreased as a result of the use of resident assistants; and

(iii) instances of resident assistants being promoted to certified nurse assistant positions; and

(D) examine resident satisfaction with respect to nutrition and hydration services provided by resident assistants.

(4) ADVISORY PANEL.—

(A) DUTIES.—Not later than November 1, 2003, the Secretary shall convene an advisory panel that shall—

(i) review and evaluate the data collected in accordance with subsection (c); and

(ii) submit recommendations on the use or improvement of resident assistants in covered nursing facilities.

(B) MEMBERSHIP.—The advisory panel convened under subparagraph (A) shall consist of representatives of the following:

(i) The Health Care Financing Administration of the Department of Health and Human Services.

(ii) National and local organizations representing for-profit and nonprofit covered nursing facilities.

(iii) Consumer groups.

(iv) State long-term care ombudsmen or other nursing facility resident advocates of the State.

(v) Labor organizations.

(vi) State survey and licensure agencies.

(vii) Licensed health care providers.

(viii) Dietitians.

(ix) Speech therapists.

(x) Any other entities or individuals that the Secretary deems appropriate.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.

(f) DEFINITIONS.—In this section:

(1) DEMONSTRATION STATE.—The term ''demonstration State'' means—

(A) Wisconsin,

(B) North Dakota, and

(C) not more than 6 States (other than Wisconsin and North Dakota) as selected by the Secretary which, as of the date of enactment of this Act, have established or proposed a project, program, or policy to permit individuals who do not meet nurse aide training requirements to perform a covered task.

(2) COVERED NURSING FACILITY.—The term ''covered nursing facility'' means—

(A) a skilled nursing facility (as that term is defined in section 1819(a) of the Social Security Act (42 U.S.C. 1395i–3(a))), and

(B) a nursing facility (as that term is defined in section 1919(a) of the Social Security Act (42 U.S.C. 1396r(a))).

(3) RESIDENT ASSISTANT.—

(A) IN GENERAL.—The term ''resident assistant'' means an individual who does not meet nurse aide training requirements (as defined in paragraph (5)) but who does meet the requirements specified in subparagraph (B).

(B) RESIDENT ASSISTANT REQUIREMENTS.—For purposes of subparagraph (A), the requirements specified in this subparagraph are the following:

(i) The individual has successfully completed an initial training program administered by the facility that meets the requirements of subparagraph (C) and subsequent competency evaluations, as reviewed and approved by the demonstration State (which, with respect to the training program, may be during the facility's standard survey).

(ii) The individual is performing a covered task under the onsite supervision (as defined in paragraph (6)) of a licensed health professional (as defined in section 1819(b)(5)(G) of the Social Security Act (42 U.S.C. 1395i–3(b)(5)(G))).

(iii) In the case of an individual performing a feeding and hydration covered task, the determination of the residents who may receive such a task from a resident assistant shall be based on the needs and potential risks to the resident, as observed and documented in the resident's written plan of care and the comprehensive assessment of the resident's functional capacity required under section 1818(b) or 1919(b) of the Social Security Act (42 U.S.C. 1395i–3(b), 1396r(b)).

(iv) The individual complies with any other limitations on performance of duties which may be established by the demonstration State.

(C) TRAINING PROGRAM REQUIREMENTS.—For purposes of subparagraph (B)(i), a training program shall—

(i) relate to the performance of the covered task to be performed by the individual; and

(ii) include—

(I) feeding skills and assistance with eating;

(II) the importance of good nutrition and hydration, including familiarity with signs of malnutrition and dehydration;

(III) an overview of the aging and disease process, as it relates to nutrition and hydration services;

(IV) how to respond to a choking emergency and alert licensed staff to other health emergencies;

(V) universal precautions for the prevention of the spread of communicable diseases; and

(VI) a statement of residents' rights.

(4) COVERED TASK.—

(A) IN GENERAL.—The term ''covered task'' means feeding and hydration.

(B) EXCLUSIONS.—Such term does not include—

(i) administering medication,

(ii) providing direct medical care, including taking vital signs, skin care, or wound care, or

(iii) performing range of motion or other therapeutic exercises with residents.

(5) NURSE AIDE TRAINING REQUIREMENTS.—The term ''nurse aide training requirements'' means the requirements of sections 1819(b)(5)(F) and 1919(b)(5)(F) of the Social Security Act (42 U.S.C. 1395i–3(b)(5)(F) and 1396r(b)(5)(F)) relating to nurse aides.

(6) ONSITE SUPERVISION.—The term ''onsite supervision'' means that a licensed health professional referred to in paragraph (3)(B)(ii) is in the unit or floor where services are being provided, and is readily available to provide assistance if necessary.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(8) DEMONSTRATION PROJECT.—The term ''demonstration project'' means the demonstration project conducted under this section.

(9) STATE.—The term ''State'' has the meaning given such term for purposes of titles XVIII and XIX of the Social Security Act (42 U.S.C. 1395 et seq., 1396 et seq.).

SEC. 3. AUTHORIZING THE USE OF RESIDENT ASSISTANTS IN NURSING FACILITIES RECEIVING PAYMENTS UNDER THE MEDICARE OR MEDICAID PROGRAM.

(a) IN GENERAL.—Subsection (b) of sections 1819 and 1919 (42 U.S.C. 1395i–3, 1396r) of the Social Security Act, as amended by section 941 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, as enacted into law by section 1(a)(6) of Public Law 106–554, are each amended by adding at the end the following new paragraph:

''(9) USE OF RESIDENT ASSISTANTS.—

''(A) IN GENERAL.—Subject to the succeeding provisions of this paragraph, a skilled nursing facility may use a resident assistant to perform a covered task for a resident of the facility that would otherwise be performed by a nurse aide.

''(B) DEFINITION.—The term 'resident assistant' means an individual—

''(i) who has successfully completed an initial training program and competency evaluation, and subsequent competency evaluations, approved by the State under subsection (e)(6); and

''(ii) who is competent to perform a covered task.

''(C) REQUIREMENT FOR ONSITE SUPERVISION.—A resident assistant may only perform a covered task under the supervision of a licensed health professional (as defined in paragraph (5)(G)) who is present in the unit or floor where the covered task is performed and who is readily available to provide assistance to the resident assistant.

''(D) REQUIREMENT FOR DETERMINATION OF APPROPRIATE PATIENTS.—A resident assistant may only perform a covered task for a resident who is approved for such purpose based on the needs of, and potential risks to, the resident, as observed and documented in the resident's written plan of care and the comprehensive assessment of the resident's functional capacity required under this subsection.

''(E) ADDITIONAL REQUIREMENTS.—The individual complies with any other limitations on performance of duties which may be established by the State in which the covered task is performed.

''(F) MINIMUM STAFFING REQUIREMENTS NOT AFFECTED.—A resident assistant shall not be counted toward meeting or complying with any requirement for nursing care staff and functions of such facilities under this section, including any minimum nursing staffing requirement.

''(G) COVERED TASK DEFINED.—For purposes of this section, the term 'covered task' means feeding and hydration.''.

(b) SPECIFICATION OF TRAINING PROGRAM AND COMPETENCY EVALUATION STANDARDS.—

(1) REQUIREMENT FOR STANDARDS.—Subsection (e) of such sections are each amended by adding at the end the following new paragraph:

''(6) SPECIFICATION AND REVIEW OF RESIDENT ASSISTANT TRAINING PROGRAMS AND COMPETENCY EVALUATION AND OF RESIDENT ASSISTANT COMPETENCY EVALUATIONS.—The State must—

''(A) specify those initial training programs and competency evaluations, and those subsequent competency evaluations, that the State approves for purposes of subsection (b)(9) and that meet the requirements established under subsection (f)(8), and

''(B) provide for the review and reapproval of such evaluations, at a frequency and using a methodology consistent with the requirements established under subsection (f)(8).''.

(2) SPECIFICATION OF STANDARDS.—Subsection (f) of such sections are each amended by adding at the end the following new paragraph:

''(8) REQUIREMENTS FOR RESIDENT ASSISTANT TRAINING PROGRAMS AND COMPETENCY EVALUATIONS AND FOR RESIDENT ASSISTANT COMPETENCY EVALUATIONS.—

''(A) IN GENERAL.—For purposes of subsections (b)(9) and (e)(6), the Secretary shall establish requirements for the approval of resident assistant training programs and competency evaluations administered by the facility, including—

''(i) requirements described in subparagraph (B),

''(ii) minimum hours of initial and ongoing training and retraining,

''(iii) qualifications of instructors,

''(iv) procedures for determination of competency, and

''(v) the minimum frequency and methodology to be used by a State in reviewing compliance with the requirements for such evaluations.

''(B) REQUIREMENTS DESCRIBED.—For purposes of subparagraph (A), the requirements described in this subparagraph are the following:

''(i) Feeding skills and assistance with eating.

''(ii) The importance of good nutrition and hydration, including familiarity with signs of malnutrition and dehydration.

''(iii) An overview of the aging and disease process, as it relates to nutrition and hydration services.

''(iv) How to respond to a choking emergency and alert licensed staff to other health emergencies.

''(v) Universal precautions for the prevention of the spread of communicable diseases.

''(vi) Residents' rights.

''(C) SPECIAL RULE FOR STATE DEMONSTRATION PARTICIPANTS.—In the case of a State that was a demonstration State (as that term is defined in subsection (f)(1) of section 2 of the Medicare and Medicaid Nursing Services Quality Improvement Act of 2001), to the extent that the demonstration State has in effect any requirement for the approval of resident assistant training programs and competency evaluations that meets or exceeds the same requirement that the Secretary establishes under this paragraph, notwithstanding subsection (b)(9)(B)(i) resident assistants who performed the covered task in facilities in that State under that demonstration project—

''(i) do not have to complete the entire initial training program and competency evaluation required under that subsection; and

''(ii) shall only be required to meet those requirements for such approval that the Secretary establishes under this paragraph that the State does not have in effect.''.

(c) CONTINGENT EFFECTIVE DATE.—(1) The amendments made by this section shall become effective (if at all) in accordance with paragraph (2).

(2)(A) Not later than December 1, 2004, the Secretary of Health and Human Services (in this paragraph referred to as the ''Secretary'') shall submit to Congress a report on the results of the demonstration project established under section 2 that analyzes the effect on resident care in authorizing the use of resident assistants to furnish feeding and hydration services to residents in skilled nursing facilities under the medicare program and residents in nursing facilities under the medicaid program in the demonstration States.

(B) Such project shall be discontinued, and the amendments made by this section shall become effective, on January 1, 2005, unless the Secretary includes in that report a finding, on the basis of data collected under section 2(c) that—

(i) authorizing the use of such resident assistants to furnish such services diminishes the quality of feeding and hydration services furnished to residents of those facilities; or

(ii) any decreased recruitment and retention of nursing staff of those facilities and reduced salaries for such nursing staff is directly attributable to the use of such resident assistants to furnish such services.

By Mr. DEWINE:

S. 733. A bill to eliminate the duplicative intent requirement for carjacking; to the Committee on the Judiciary.

Mr. DEWINE. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 733

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CARJACKING OFFENSES.

Section 2119 of title 18, United States Code, is amended by striking '', with the intent to cause death or serious bodily harm''.

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

S. 734. A bill to amend the Foreign Service Buildings Act, 1926, to expand eligibility for the award of construction contracts under that Act to persons that have performed similar construction work at United States diplomatic or consular establishments abroad under contracts limited to $5,000,000; to the Committee on Foreign Relations.

Mr. BOND. Mr. President, today I am introducing a bill to improve access for certain small businesses in competing for overseas construction contracts for the Department of State. Small businesses that have been able to participate in smaller construction projects overseas, through one of the small business programs, would be able to compete for larger construction contracts.

The effect of these changes is to enhance competition for these contracts. Moreover, greater competition usually means reduced costs to the taxpayer. Finally, these changes allow us to recoup the benefits from the Government programs directed at small business. We ensure that, after helping businesses grow and develop in our small business programs, they are then able to compete in the open market for Government construction contracts.

This is certainly the goal of these small business programs, but unfortunately a technical glitch currently prevents this goal from being realized in overseas State Department construction contracts. This bill would correct that.

Specifically, these provisions would make a minor change to both the Foreign Service Buildings Act, 1926, and the Omnibus Diplomatic Security and Antiterrorism Act of 1986, both of which impose related restrictions on the firms that may do construction of overseas State Department facilities. Most of the restrictions are security-related and have to do with ensuring the firms are American in their ownership, control, and workforce. Some other provisions seek to ensure they have the technical capacity actually to perform the work.

One provision directed at the ''technical capacity'' issue says the firms must have performed work, comparable to the work they are seeking, in the United States. The legislative history makes clear that this particular restriction is in the law solely as an issue of past performance, not as a security matter. Since these measures passed, a small number of firms participating in small business programs have done work exclusively overseas, including work on State Department diplomatic and consular establishments. They therefore have a demonstrated past performance ability to do the work, but the two laws above currently exclude them from doing so in State Department contracts over $5 million. (They were previously able to participate because the sole source contracts under a couple of small business programs are limited to $3 million, so the restrictions in these two laws did not come into play.)

The bottom line here is that we have small business programs intended to give firms the opportunity to show what they can do and to help expand the Government's vendor base. However, once these firms move beyond the small business program or seek to compete for larger contracts, we have these two laws that exclude firms who have demonstrated the ability to do overseas construction, simply because they have not done work domestically. This is a waste of the Government's investment in their business development. This bill would allow overseas work done specifically at State Department installations to count in showing their capacity to perform subsequent contracts.

This is a relatively simple change that will increase opportunity and help the State Department maintain a strong contractor base to do this important construction work. It should be noncontroversial, and I look forward to working with the Chairman and Ranking Member of the Foreign Relations Committee to make these changes happen.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 734

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXPANSION OF ELIGIBILITY FOR AWARD OF CERTAIN CONSTRUCTION CONTRACTS.

(a) IN GENERAL.—Section 11(b)(4)(A) of the Foreign Service Buildings Act, 1926 (22 U.S.C. 302(b)(4)(A)) is amended by inserting ''or at a United States diplomatic or consular establishment abroad'' after ''United States''.

(b) CONFORMING AMENDMENT.—Section 402(c)(2)(D) of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4852(c)(2)(D)) is amended by inserting ''or at a United States diplomatic or consular establishment abroad'' after ''United States''.

By Mr. DEWINE:

S. 735. A bill to amend title 18 of the United States Code to add a general provision for criminal attempt; to the Committee on the Judiciary.

Mr. DEWINE. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 735

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the ''General Attempt Provision Act''.

SEC. 2. ESTABLISHMENT OF GENERAL ATTEMPT OFFENSE.

Chapter 19 of title 18, United States Code, is amended—

(1) in the chapter heading, by striking ''Conspiracy'' and inserting ''Inchoate offenses''; and

(2) by adding at the end the following:

''§ 374. Attempt to commit offense

''(a) IN GENERAL.—Whoever, acting with the state of mind otherwise required for the commission of an offense described in this title, intentionally engages in conduct that, in fact, constitutes a substantial step toward the commission of the offense, is guilty of an attempt and is subject to the same penalties as those prescribed for the offense, the commission of which was the object of the attempt, except that the penalty of death shall not be imposed.

''(b) INABILITY TO COMMIT OFFENSE; COMPLETION OF OFFENSE.—It is not a defense to a prosecution under this section—

''(1) that it was factually impossible for the actor to commit the offense, if the offense could have been committed had the circumstances been as the actor believed them to be; or

''(2) that the offense attempted was completed.

''(c) EXCEPTIONS.—This section does not apply—

''(1) to an offense consisting of conspiracy, attempt, endeavor, or solicitation;

''(2) to an offense consisting of an omission, refusal, failure of refraining to act;

''(3) to an offense involving negligent conduct; or

''(4) to an offense described in section 1118, 1120, 1121, or 1153 of this title.

''(d) AFFIRMATIVE DEFENSE.—

''(1) IN GENERAL.—It is an affirmative defense to a prosecution under this section, on which the defendant bears the burden of persuasion by a preponderance of the evidence, that, under circumstances manifesting a voluntary and complete renunciation of criminal intent, the defendant prevented the commission of the offense.

''(2) DEFINITION.—For purposes of this subsection, a renunciation is not 'voluntary and complete' if it is motivated in whole or in part by circumstances that increase the probability of detection or apprehension or that make it more difficult to accomplish the offense, or by a decision to postpone the offense until a more advantageous time or to transfer the criminal effort to a similar objective or victim.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 19 of title 18, United States Code, is amended by adding at the end the following:

''374. Attempt to commit offense.''.

SEC. 3. RATIONALIZATION OF CONSPIRACY PENALTY AND CREATION OF RENUNCIATION DEFENSE.

Section 371 of title 18, United States Code, is amended—

(1) by striking the second undesignated paragraph; and

(2) in the first undesignated paragraph—

(A) by striking ''If two or more'' and inserting the following:

''(a) IN GENERAL.—If 2 or more''; and

(B) by striking ''either to commit any offense against the United States, or''; and

(3) by adding at the end the following:

''(b) CONSPIRACY.—If 2 or more persons conspire to commit any offense against the United States, and 1 or more of such persons do any act to effect the object of the conspiracy, each shall be subject to the same penalties as those prescribed for the most serious offense, the commission of which was the object of the conspiracy, except that the penalty of death shall not be imposed.''.

By Mr. REID (for himself and Mr. ENSIGN):

S. 737. A bill to designate the facility of the United States Postal Service located at 811 South Main Street in Yerington, Nevada, as the ''Joseph E. Dini, Jr. Post Office''; to the Committee on Governmental Affairs.

Mr. REID. Mr. President, I rise today along with my colleague from Nevada, Senator ENSIGN, as well as the Nevada delegation in the House of Representatives, to introduce legislation designating the United States Post Office facility located at 811 Main Street in Yerington, NV, as the ''Joseph E. Dini, Jr. Post Office.''

When the Nevada State Legislature opened its 71st session earlier this year, something was very different. For the first time in more than sixteen years, Joe Dini was not the Speaker of the Assembly. For an unparalleled eight times, Joe Dini was elected Speaker by his peers in the Nevada State Assembly. Now the Speaker Emeritus, Joe Dini is in his eighteenth term representing his beloved home town of Yerington, NV, and is the longest serving Member in the history of the Nevada State Assembly.

Joe Dini was born and raised in the small town of Yerington, NV. Many of my colleagues in the Senate have heard me talk about my hometown of Searchlight at the southern tip of the State of Nevada. As much as I love Searchlight, Joe Dini adores his beloved hometown of Yerington. A native Nevada, Joe attended the University of Nevada in Reno and was first elected to the Nevada State Assembly in 1966. As a freshman elected to the Assembly in 1969, I had the pleasure to work with Joe Dini, and I looked to him as a mentor and a friend. In 1973, he became Speaker pro tempore of the Chamber, and in 1975 he was elected majority leader. During his tenure, Joe became the leading authority in the legislature on western water issues, a subject that is vitally important to our state, especially in the many rural communities throughout Nevada.

Joe is also an active participant with many community service organizations in Yerington and throughout Nevada. He is a member of the Yerington Rotary Club and the Yerington Volunteer Fire Department, and has been recognized by a variety of groups such as the Nevada State Firefighters Association, the Nevada Wildlife Federation, the Nevada State Education Association and the Nevada Judges Association. The Kiwanis Club in Yerington has also recognized Joe Dini as its Man of the Year.

It is a pleasure and honor to join my colleagues from Nevada in introducing this bill naming the post office on Main Street in his beloved hometown of Yerington, Nevada, after Joseph E. Dini, Jr. By recognizing his dedication to a career in public service, we are also thanking Joe for a life-long commitment to the people and the State of Nevada.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 737

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. JOSEPH E. DINI, JR. POST OFFICE.

(a) DESIGNATION.—The facility of the United States Postal Service located at 811 South Main Street in Yerington, Nevada, shall be known and designated as the ''Joseph E. Dini, Jr. Post Office''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Joseph E. Dini, Jr. Post Office.

Mr. ENSIGN. Mr. President, I rise today in order to join my colleague Senator REID and other members of the Nevada Delegation in introducing a bill that would designate the U.S. Post Office facility located at 811 Main Street in Yerington, as the ''Joseph E. Dini, Jr. Post Office.''

Jospeh Deni was born and raised in Yerington, Nevada. As a native Nevadan, Joe has passionately served the interests of Western Nevadans in the State Assembly for over thirty years. His tenure as the longest-serving assemblyman in Nevada's history includes a record eight terms as Speaker. In 1995, Joe was a co-Speaker over an evenly divided State Assembly, and it was his effective leadership that allowed the Legislature to maintain its productivity and pass sweeping reforms to Nevada's criminal justice system.

In addition to his service to Nevada as a legislator, Joe has been extremely active in a number of community service organizations. Specifically, he serves as a member of the Yerington Rotary Club and has been involved with the Yerington Volunteer Fire Department. Joe has also received special recognition awards from such groups as the Nevada State Firefighters Association, Nevada Farm Bureau, Nevada Judges Association, Nevada Education Association and the Yerington Kiwanis Club.

Joe embodies the best in public service and bipartisanship, and is admired throughout Nevada as a valuable mentor and leader. Joe spent the last three decades working tirelessly and behind the scenes for our State. All Nevadans will be proud to have a post office named after a man who has committed his life to public service.

By Mr. SMITH of New Hampshire:

S. 738. A bill to amend the Voting Rights Act of 1965 to protect the voting rights of members of the Armed Forces; to the Committee on Rules and Administration.

Mr. SMITH of New Hampshire. Mr. President, I rise to offer the Armed Forces Voting Rights Act of 2001. There is a problem with federal law that allowed members of the armed forces to be disenfranchised in Florida in the most recent presidential election. My bill would stop the discrimination.

Over time, federal law has recognized more and more rights for our military personnel that serve overseas. Several federal laws have been enacted since 1942 to enable those in the military and U.S. citizens who live abroad to vote in federal elections. The Soldier Voting Act of 1942 was the first attempt to guarantee federal voting rights for members of the armed forces and that law only applied during wartime. Members of the armed forces were provided the use of a postage free, federal post card application to request an absentee ballot. This law expired once World War II ended and the law never actually was in effect.

In 1955, Congress passed the Federal Voting Assistance Act which recommended, but did not guarantee, absentee registration and voting for members of the military, federal employees who lived outside the U.S. and members of civilian service organization affiliated with the armed forces.

Federal law was again amended in 1968 to include a more general provision for U.S. citizens temporarily residing outside the U.S. Seven years later,

the Overseas Citizens Voting Rights Act of 1975 guaranteed absentee registration and voting rights for citizens outside the U.S., whether or not they maintained a U.S. residence.

In 1986, President Reagan signed the Uniformed and Overseas Citizens Voting Act which required States to permit absent uniformed services voters, their spouses and dependents, and overseas voters who no longer maintain a residence in the U.S. to register absentee and vote by absentee ballot in all elections for federal office.

Federal law failed our military men and women in the last election, because many of these military voters were disenfranchised by canvassing boards throughout the State of Florida. My bill fixes federal law to prevent discrimination against military voters stationed overseas.

It was a disgrace to our military men and women the events in Florida last fall. 1,500 overseas ballots were thrown out by Florida election officials initially—1,500 ballots were challenged—that is disturbing.

Brave members of our armed forces spoke out in favor of having their vote counted. In Tallahassee, FL, in November of 2000, Robert Ingram, who was awarded a medal for heroism as a Navy corpsman serving with the Marines in Vietnam, said about Florida elections boards, ''They need to count the votes for service people abroad.'' It truly is an outrage that the state of Florida allowed military ballots to be disqualified.

Morale is traditionally low for our servicemen and women stationed overseas during the Christmas season. Gary Littrell a Medal of Honor winner said, ''Can you imagine how low their moral will go when we tell them their vote didn't count?'' According to the Miami Herald of November 26, 2000, ''Many canvassing boards have said, however they followed state law to the letter in disqualifying overseas ballots with no signature, no witness, incorrect address, no postmark or date and a variety of other problems.''

Note that the Miami Herald does not cite actual fraud to disqualify 1,500 votes, mere technicalities in state law. My bill will fix this problem and not allow a ballot to be disqualified without ''evidence of fraud.''

There were allegations that the Democrat party had a coordinated effort to disenfranchise our military voters. Former Montana Governor Mark Racicot said last fall, ''In an effort to win at any cost, the vice president's lawyers launched a statewide effort to throw out as many military ballots as they can.'' 40 percent of the 3,500 overseas ballots in Florida were thrown out in November of 2000 for technical reasons—that is 40 percent too much.

According to the Miami Herald, 39 felons illegally cast absentee ballots in Broward and Miami Dade counties during the election, yet 1,500 military men and women had their votes challenged. These felons convictions ranged from murder to rape and drunk driving. What crime did our military personnel commit? Is it a crime for the members of the military who chose to vote Republican? Is it a crime to volunteer to serve in the military? I guess every vote must count except for our military votes.

Military ballots in Florida were disqualified for two reasons—the requirement that ballots must be postmarked by election day and failure to either have a proper signature or date on the actual ballot. Neither of these issues are currently addressed in the federal law. Federal law leaves such details to the state, such as postmark requirements and authentication of ballots.

I have a bill to amend the Voting Rights Act of 1965 to include members of the armed forces who were targeted as a result of their propensity to vote for Republicans.

My bill establishes voting rights for members of the armed forces to insure that every military vote is counted. My bill makes it a violation of the Voting Rights Act of 1965 for any person ''to disqualify, refuse to count, or otherwise negate the absentee or overseas vote of a member of the Armed Forces of the United States.''

A person could not disqualify a ballot because of ''circumstances beyond the control of the serviceman,'' this definition includes a post mark that may not be present on a military person's ballot. The military frequently mail without postage and there is no necessity for a post mark on military mail, therefore there is no evidence on the face of an envelope to prove when a letter, or ballot in this case, is mailed.

My bill further forbids the disqualification of any ballot without ''clear and convincing evidence of fraud in the preparation or casting of the ballot by the voter'' deadlines for returning ballots vary by state.

If you violate or conspire to violate the Armed Forces Voting Rights Act of 2001, then you are treated similarly to individuals who violate the Voting Rights Act of 1965—you are subject to fines and other criminal penalties. My bill also empowers the Attorney General to make rules consistent with this legislation.

I ask that voting rights be restored to our military voters—it is the least that we can do for those who put their lives on the line so we may live free, to allow our military men and women to have every vote counted.

By Mr. WELLSTONE (for himself, Mrs. MURRAY, Mr. DAYTON, Ms. STABENOW, Mr. DORGAN, Mr. KENNEDY, Mr. DURBIN, Ms. LANDRIEU, Mr. DASCHLE, Mr. REID, and Mr. JOHNSON):

S. 739. A bill to amend title 38, United States Code, to improve programs for homeless veterans, and for other purposes; to the Committee on Veterans' Affairs.

Mr. WELLSTONE. Mr. President, I rise today to introduce the ''Heather French Henry Homeless Veterans Assistance Act.'' It is a companion bill to H.R. 936, introduced in the House of Representatives by Representative EVANS. I am pleased to have the support of the following original cosponsors: Senators MURRAY, DAYTON, STABENOW, DORGAN, KENNEDY, DURBIN, LANDRIEU, DASCHLE, REID, and JOHNSON.

The legislation is named to recognize and honor the outstanding contributions of Heather French Henry, Miss America 2000. She has helped lead the struggle to end homelessness affecting more than 300,000 of our nation's veterans. For more than a year, she has given her time, talents and energy to call on Americans to do more to free those who have served our country from homelessness. She has traveled from coast-to-coast with the message that we as a nation are duty-bound to assist homeless veterans again to become productive and contributing members of society.

I recently met Ms. French Henry. I appreciate her work, as well as her support for this bill. She has called it, ''a comprehensive package of proposals that will lead to ending homelessness among our nation's veterans so that they can once again be proud citizens.''

The bill establishes a national goal of ending homelessness among veterans within a decade. We can and must meet this goal, but achieving it will not be easy. According to the ''Independent Budget'' for Fiscal Year 2002, more than 275,000 veterans are homeless on any given night. The Independent Budget is a highly regarded analysis issued by four respected veterans organizations, AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars. The Independent Budget also found that, ''one out of three homeless males . . . sleeping in a doorway, alley or box in our cities and rural communities has put on a uniform and served our nation.'' Finally, it stressed that two-thirds of homeless veterans served our nation for at least three years. The vast majority of homeless veterans fully honored their oath to defend and protect the United States. Unfortunately, we haven't fully honored our obligation to rescue them from the degradation and privations of life on the streets.

The causes of homelessness are complex. But the primary reason so many veterans are homeless is simple. We have not done enough. Since 1987, the VA has run some worthwhile and effective programs for homeless veterans, but they are too few, and they are too poorly funded. In FY 2000, the VA spent about $150 million for homeless programs, just $1.31 per homeless veteran per day. According to the Independent Budget, federal funding for homeless veterans serves just one in 10 of those in need.

The VA has reported that there were about 345,000 homeless veterans during 1999. That is 34 percent higher than in

1998, a national scandal during a time of prosperity. If we fail to pass this bill, imagine how many more homeless veterans will be sleeping in doorways, in boxes and on grates in the cold? Who will care for these veterans if we have a prolonged economic downturn?

Three ideas should be kept in mind regarding the bill. First, it does not give homeless veterans a handout. It gives them a hand-up, a hand-up they need to help restore dignity and self-worth. Second, ending veterans homelessness is first and foremost a moral issue. What kind of nation can fail to use the full arsenal of programs and tools available to end pain and suffering among men and women who have served so much and so well? Finally, homelessness among veterans is often tied to those veterans' military service. It is frequently no less service-connected than the loss of limb in battle. Post-Traumatic Stress Disorder, PTSD, can afflict any combat veteran. It not only can cause severe mental health problems, but is also linked to job loss, family breakdown, substance abuse and, of course, homelessness.

The VA can't solve the problem of homelessness among veterans by itself. That is why the bill creates a coordinated and cooperative effort among the VA and other federal, state and local agencies, as well as by community-based organizations.

The legislation includes both proven programs and innovations. It expands programs that have superior track records in assisting homeless veterans. It will increase to $50 million the annual authorization for the Department of Labor's Homeless Veterans Reintegration Project (HVRP). HVRP funds state or local governments, as well as nonprofit organizations, which run highly effective job training and placement programs. It is an exceptional program that has gone underfunded for years. In FY 1999, HVRP placed almost 2,200 homeless veterans in jobs, with an average cost per placement of only about $1,300.

Mental health professionals agree that placement in the community can work, but only with careful monitoring and support of vulnerable populations. The bill therefore also creates incentives for VA to make such services, Mental Health Community Management programs, more widely available.

Supportive, therapeutic housing is an essential component of a homeless veteran's recovery from substance abuse. ''Safe havens'' provide an environment that facilitates the transition from homelessness. Under the bill, many more veterans could receive intensive medical and psychological treatment, as well as rehabilitation, in such residential settings.

More VA Comprehensive Homeless Centers must be made available in the country's major metropolitan areas. These unique centers provide a continuum of care that includes outreach, medical care, compensated work therapy, job counseling and other social services. Homeless veterans not only can gain access to VA services, but also to services provided by other federal agencies, state and local government entities, and community-based organizations. The centers provide badly needed ''one-stop shopping'' for services to homeless veterans.

The legislation will increase availability of residential treatment facilities by requiring the VA to develop new domiciliary programs in the 10 largest metropolitan areas without existing programs. At the same time, it will remove the cap on VA Comprehensive Homeless Centers. Today there are only eight, and the bill will require that centers be available in no fewer than 20 metropolitan areas. Veterans in Washington, D.C., for example, currently have neither a VA domiciliary nor a Comprehensive Homeless Center. Both such facilities are needed here in the Nation's Capital.

Community-based organizations play a pivotal role in addressing veterans' homelessness. The bill authorizes additional funding for their work through the VA's Homeless Grant and Per Diem Providers program. That program provides critical support to community-based organizations who furnish transitional services to homeless veterans through grants that supplement local, state and private funding.

The bill also requires that the VA provide mental health services wherever it provides primary care. Approximately 45 percent of homeless veterans suffer from mental illness. More than 70 percent suffer from alcohol or other substance abuse problems. It is vital that VA expand access to mental health services.

Finally, the bill seeks to help some of the most vulnerable homeless veterans and those most at risk of homelessness. Under the bill, VA and community-based providers will be eligible for a new grant program that addresses the special needs of homeless veterans who are women, substance abusers, 50 years of age or older, persons with PTSD, terminally ill, chronically mentally ill or who have dependents. It will require VA to coordinate a multi-agency outreach plan and a program for veterans at risk of homelessness, particularly veterans being discharged from institutions. This includes people discharged from inpatient psychiatric care, substance abuse treatment programs and penal institutions.

It is a familiar principle among veterans of our armed forces not to ''leave our wounded behind.'' Yet, homeless veterans are in a sense our wounded, and we are leaving them behind. It is past time to end this neglect.

The bill is supported by the country's major veterans organizations. It is endorsed by the National Coalition for Homeless Veterans and its hundreds of affiliated organizations throughout the country who daily furnish essential services to homeless veterans. I ask consent that letters of support from the Paralyzed Veterans of America, the Veterans of Foreign Wars, the Disabled American Veterans, and the National Coalition for Homeless Veterans be printed in the RECORD.

Mr. President, I also ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 739

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 ''Heather French Henry Homeless Veterans Assistance Act''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings; definitions.
Sec. 3. National goal to end homelessness among veterans.
Sec. 4. Advisory Committee on Homeless Veterans.
Sec. 5. Annual meeting requirement for Interagency Council on the Homeless.
Sec. 6. Evaluation of homeless programs.
Sec. 7. Changes in veterans equitable resource allocation methodology.
Sec. 8. Per diem payments for furnishing services to homeless veterans.
Sec. 9. Grant program for homeless veterans with special needs.
Sec. 10. Coordination of outreach services for veterans at risk of homelessness.
Sec. 11. Treatment trials in integrated mental health services delivery.
Sec. 12. Dental care.
Sec. 13. Programmatic expansions.
Sec. 14. Various authorities.
Sec. 15. Life safety code for grant and per diem providers.
Sec. 16. Transitional assistance grants pilot program.
Sec. 17. Assistance for grant applications.
Sec. 18. Home loan program for manufactured housing.
Sec. 19. Extension of homeless veterans reintegration program.
Sec. 20. Use of real property.

SEC. 2. FINDINGS; DEFINITIONS.

(a) FINDINGS.—Congress makes the following findings:

(1) On the field of battle, the members of the Armed Forces who defend the Nation are honor-bound to leave no one behind and, likewise, the Nation is honor-bound to leave no veteran behind.

(2) The Department of Veterans Affairs report known as the Community Homeless Assessment, Local Education, and Networking Groups for Veterans (CHALENG) assessment, issued in May 2000, reports that during 1999 there were an estimated 344,983 homeless veterans, an increase of 34 percent above the 1998 estimate of 256,872 homeless veterans.

(3) Male veterans are more likely to be homeless than their nonveteran peers. Although veterans constitute only 13 percent of the general male population, 23 percent of the homeless male population are veterans.

(4) Homelessness among veterans is persistent despite unprecedented economic growth and job creation and general prosperity.

(5) While there are many effective programs that assist homeless veterans to again become productive and self-sufficient members of society, current resources provided to such programs and other activities that assist homeless veterans are inadequate to provide all needed essential services, assistance, and support to homeless veterans.

(6) If current programs to assist homeless veterans are fully maintained but not expanded, veterans will experience as many as a billion nights of homelessness during the next decade.

(7) The CHALENG assessment referred to in paragraph (2) reports—

(A) that Department of Veterans Affairs and community providers were responsible for establishing almost 500 beds for homeless veterans during 2000, including emergency, transitional, and permanent beds; and

(B) that there is a need for about 45,724 additional beds to meet current needs of homeless veterans.

(8) As of February 28, 2001, the Congressional Budget Office forecasts a Federal budget surplus of $313,000,000,000 for fiscal year 2002 and budget surpluses totaling more than $5,610,000,000,000 over the next 10 years.

(9) At least $750,000,000 will be required to establish the 45,724 additional new beds now needed by homeless veterans, according to an informal Department of Veterans Affairs cost estimate.

(10) Even if the Department of Veterans Affairs and its partners created 2,000 additional beds per year for homeless veterans (roughly quadrupling the number of such beds they currently plan to open annually), it would still take more than two decades to provide the necessary additional beds to meet the current needs of homeless veterans.

(11) Nearly four decades ago, the Nation established a goal of sending a man to the moon and returning him safely to earth within a decade and accomplished that goal, and the Nation can do no less to end homelessness among the Nation's veterans.

(b) DEFINITIONS.—For purposes of this Act:

(1) The term ''homeless veteran'' means a veteran who—

(A) lacks a fixed, regular, and adequate nighttime residence; or

(B) has a primary nighttime residence that is—

(i) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, grant per diem shelters and transitional housing for the mentally ill);

(ii) an institution that provides a temporary residence for individuals intended to be institutionalized; or

(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(2) The term ''grant and per diem provider'' means an entity in receipt of a grant under section 3 or 4 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note).

SEC. 3. NATIONAL GOAL TO END HOMELESSNESS AMONG VETERANS.

(a) NATIONAL GOAL.—Congress hereby declares it to be a national goal to end homelessness among veterans within a decade.

(b) COOPERATIVE EFFORTS ENCOURAGED.—Congress hereby encourages all departments and agencies of Federal, State, and local governments, quasi-governmental organizations, private and public sector entities, including community-based organizations, and individuals to work cooperatively to end homelessness among veterans within a decade.

SEC. 4. ADVISORY COMMITTEE ON HOMELESS VETERANS.

(a) IN GENERAL.—Chapter 5 of title 38, United States Code, is amended by adding at the end the following new section:

''§ 546. Advisory Committee on Homeless Veterans

''(a)(1) There is established in the Department the Advisory Committee on Homeless Veterans (hereinafter in this section referred to as the 'Committee').

''(2) The Committee shall consist of not more than 15 members appointed by the Secretary from among the following:

''(A) Veterans service organizations.

''(B) Advocates of homeless veterans and other homeless individuals.

''(C) Community-based providers of services to homeless individuals.

''(D) Previously homeless veterans.

''(E) State veterans affairs officials.

''(F) Experts in the treatment of individuals with mental illness.

''(G) Experts in the treatment of substance use disorders.

''(H) Experts in the development of permanent housing alternatives for lower income populations.

''(I) Experts in vocational rehabilitation.

''(J) Such other organizations or groups as the Secretary considers appropriate.

''(3) The Committee shall include, as ex officio members—

''(A) the Secretary of Labor (or a representative of the Secretary selected after consultation with the Assistant Secretary of Labor for Veterans' Employment and Training);

''(B) the Secretary of Defense (or a representative of the Secretary);

''(C) the Secretary of Health and Human Services (or a representative of the Secretary); and

''(D) the Secretary of Housing and Urban Development (or a representative of the Secretary).

''(4) The Secretary shall determine the terms of service and pay and allowances of the members of the Committee, except that a term of service may not exceed three years. The Secretary may reappoint any member for additional terms of service.

''(b)(1) The Secretary shall, on a regular basis, consult with and seek the advice of the Committee with respect to the provision by the Department of benefits and services to homeless veterans.

''(2)(A) In providing advice to the Secretary under this subsection, the Committee shall—

''(i) assemble and review information relating to the needs of homeless veterans;

''(ii) provide an on-going assessment of the effectiveness of the policies, organizational structures, and services of the Department in assisting homeless veterans; and

''(iii) provide on-going advice on the most appropriate means of providing assistance to homeless veterans.

''(3) The Committee shall—

''(A) review the continuum of services provided by the Department directly or by contract in order to define cross-cutting issues and to improve coordination of all services in the Department that address the special needs of homeless veterans;

''(B) identify (through the annual assessments under section 1774 of this title and other available resources) gaps in programs of the Department in serving homeless veterans, including identification of geographic areas with unmet needs, and provide recommendations to address those program gaps;

''(C) identify gaps in existing information systems on homeless veterans, both within and outside the Department, and provide recommendations about redressing problems in data collection;

''(D) identify barriers under existing laws and policies to effective coordination by the Department with other Federal agencies and with State and local agencies addressing homeless populations;

''(E) identify opportunities for enhanced liaison by the Department with nongovernmental organizations and individual groups addressing homeless populations;

''(F) with appropriate officials of the Department designated by the Secretary, participate with the Interagency Council on the Homeless under title II of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11311 et seq.);

''(G) recommend appropriate funding levels for specialized programs for homeless veterans provided or funded by the Department;

''(H) recommend appropriate placement options for veterans who, because of advanced age, frailty, or severe mental illness, may not be appropriate candidates for vocational rehabilitation or independent living; and

''(I) perform such other functions as the Secretary may direct.

''(c)(1) Not later than March 31 of each year, the Committee shall submit to the Secretary a report on the programs and activities of the Department that relate to homeless veterans. Each such report shall include—

''(A) an assessment of the needs of homeless veterans;

''(B) a review of the programs and activities of the Department designed to meet such needs;

''(C) a review of the activities of the Committee; and

''(D) such recommendations (including recommendations for administrative and legislative action) as the Committee considers appropriate.

''(2) Not later than 90 days after the receipt of a report under paragraph (1), the Secretary shall transmit to the Committees on Veterans' Affairs of the Senate and House of Representatives a copy of the report, together with any comments and recommendations concerning the report that the Secretary considers appropriate.

''(3) The Committee may also submit to the Secretary such other reports and recommendations as the Committee considers appropriate.

''(4) The Secretary shall submit with each annual report submitted to Congress pursuant to section 529 of this title a summary of all reports and recommendations of the Committee submitted to the Secretary since the previous annual report of the Secretary submitted pursuant to that section.

''(d)(1) Except as provided in paragraph (2), the provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the activities of the Committee under this section.

''(2) Section 14 of such Act shall not apply to the Committee.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''546. Advisory Committee on Homeless Veterans.''.

SEC. 5. MEETINGS OF INTERAGENCY COUNCIL ON THE HOMELESS.

Section 202(c) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11312(c)) is amended to read as follows:

''(c) MEETINGS.—The Council shall meet at the call of its Chairperson or a majority of its members, but not less often than annually.''.

SEC. 6. EVALUATION OF HOMELESS PROGRAMS.

(a) EVALUATION CENTERS.—The Secretary of Veterans Affairs shall support the continuation within the Department of Veterans Affairs of at least one center for evaluation to monitor the structure, process, and outcome of programs of the Department of Veterans Affairs that address homeless veterans.

(b) ANNUAL REPORT ON HEALTH CARE.—The Secretary shall submit to Congress on an annual basis a report on programs of the Department of Veterans Affairs addressing health care needs of homeless veterans. The

Secretary shall include in each such report the following:

(1) Information about expenditures, costs, and workload under the Department of Veterans Affairs program known as the Health Care for Homeless Veterans program (HCHV).

(2) Information about the veterans contacted through that program.

(3) Information about processes under that program.

(4) Information about program treatment outcomes under that program.

(5) Information about supported housing programs.

(6) Information about the Department's grant and per diem provider program.

(7) Other information the Secretary considers relevant in assessing the program.

(c) ANNUAL PROGRAM ASSESSMENT.—Section 1774(b) of title 38, United States Code, is amended—

(1) in paragraph (1), by inserting ''annual'' after ''to make an''; and

(2) by adding at the end the following new paragraph:

''(6) The Secretary shall review each annual assessment under this subsection, and shall consolidate the findings and conclusions of those assessments into an annual report which the Secretary shall submit to Congress.''.

SEC. 7. CHANGES IN VETERANS EQUITABLE RESOURCE ALLOCATION METHODOLOGY.

(a) ALLOCATION CATEGORIES.—The Secretary of Veterans Affairs shall assign veterans receiving the following services to the resource allocation category designated as ''complex care'' within the Veterans Equitable Resource Allocation system:

(1) Care provided to veterans enrolled in the Department of Veterans Affairs program for Mental Health Intensive Community Case Management.

(2) Continuous care in homeless chronically mentally ill veterans programs.

(3) Continuous care within specialized programs provided to veterans who have been diagnosed with both serious chronic mental illness and substance use disorders.

(4) Continuous therapy combined with sheltered housing provided to veterans in specialized treatment for substance use disorders.

(5) Specialized therapies provided to veterans with post-traumatic stress disorders (PTSD), including therapies provided by or under the following:

(A) Specialized outpatient PTSD programs.

(B) PTSD clinical teams.

(C) Women veterans stress disorder treatment teams.

(D) Substance abuse disorder PTSD teams.

(b) TREATMENT OF FUNDS FOR NEW PROGRAMS FOR HOMELESS VETERANS.—The Secretary shall ensure that funds for any new program for homeless veterans carried out through a Department health care facility are designated for the first three years of operation of that program as a special purpose program for which funds are not allocated through the Veterans Equitable Resource Allocation system.

SEC. 8. PER DIEM PAYMENTS FOR FURNISHING SERVICES TO HOMELESS VETERANS.

(a) INCREASE IN RATE OF PER DIEM PAYMENTS.—Section 4(a) of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended by striking ''at such rates'' and all that follows through ''homeless veteran—'' and inserting the following: ''at the same rates as the rates authorized for State homes for domiciliary care provided under section 1741 of title 38, United States Code, for services furnished to homeless veterans—''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first fiscal year beginning after the date of the enactment of this Act.

SEC. 9. GRANT PROGRAM FOR HOMELESS VETERANS WITH SPECIAL NEEDS.

(a) ESTABLISHMENT.—The Secretary of Veterans Affairs shall carry out a program to make grants to health care facilities of the Department of Veterans Affairs and to grant and per diem providers in order to encourage development by those facilities and providers of programs targeted at meeting special needs within the population of homeless veterans.

(b) HOMELESS VETERANS WITH SPECIAL NEEDS.—For purposes of this section, homeless veterans with special needs include homeless veterans who—

(1) are women;

(2) are 50 years of age or older;

(3) are substance abusers;

(4) are persons with post-traumatic stress disorder;

(5) are terminally ill;

(6) are chronically mentally ill; or

(7) have care of minor dependents or other family members.

(c) STUDY OF OUTCOME EFFECTIVENESS.—The Secretary shall conduct a study of the effectiveness of the grant program in meeting the needs of homeless veterans. As part of the study, the Secretary shall compare the results of programs carried out in the grant program under this section in terms of veterans' satisfaction, health status, reduction in addiction severity, housing, and encouragement of productive activity with results for similar veterans in programs of the Department or of grant and per diem providers that are designed to meet the general needs of homeless veterans.

(d) FUNDING.—From amounts appropriated to the Department of Veterans Affairs for ''Medical Care'' for each of fiscal years 2003, 2004, and 2005, $5,000,000 shall be available for purposes of the program under this section. Grants under this section to a health care facility of the Department or a grant and per diem provider shall be treated in the manner provided in section 7(b).

SEC. 10. COORDINATION OF OUTREACH SERVICES FOR VETERANS AT RISK OF HOMELESSNESS.

(a) OUTREACH PLAN.—The Secretary of Veterans Affairs, acting through the Under Secretary for Health, shall provide for appropriate officials of the Mental Health Service and the Readjustment Counseling Service of the Veterans Health Administration to initiate a coordinated plan for joint outreach to veterans at risk of homelessness, including particularly veterans who are being discharged from institutions (including discharges from inpatient psychiatric care, substance abuse treatment programs, and penal institutions).

(b) MATTERS TO BE INCLUDED.—The plan under subsection (a) shall include the following:

(1) Strategies to identify and collaborate with external entities used by veterans who have not traditionally used Department of Veterans Affairs services to further outreach efforts.

(2) Strategies to ensure that mentoring programs, recovery support groups, and other appropriate support networks are optimally available to veterans.

(3) Appropriate programs or referrals to family support programs.

(4) Means to increase access to case management services.

(5) Plans for making additional employment services accessible to veterans.

(6) Appropriate referral sources for mental health and substance abuse services.

(c) COOPERATIVE RELATIONSHIPS.—The plan under subsection (a) shall identify strategies for the Department to enter into formal cooperative relationships with entities outside the Department of Veterans Affairs to facilitate making services and resources optimally available to veterans.

(d) REVIEW OF PLAN.—The Secretary shall submit the plan under subsection (a) to the Advisory Committee on Homeless Veterans for its review and consultation.

(e) SUBMISSION OF REPORT.—Not later than two years after the date of the enactment of this Act, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the Secretary's plan under subsection (a), including goals and timelines for implementation of the plan for particular facilities and service networks.

(f) OUTREACH PROGRAM.—(1) The Secretary shall carry out an outreach program to provide information to homeless veterans and veterans at risk of homelessness. The program shall include at a minimum—

(A) provision of information about benefits available to eligible veterans from the Department; and

(B) contact information for local Department facilities, including medical facilities, regional offices, and veterans centers.

(2) In developing and carrying out the program under paragraph (1), the Secretary shall, to the extent practicable, consult with appropriate public and private organizations, including the Bureau of Prisons, State social service agencies, the Department of Defense, and mental health, veterans, and homeless advocates—

(A) for assistance in identifying and contacting veterans who are homeless or at risk of homelessness;

(B) to coordinate appropriate outreach activities with those organizations; and

(C) to coordinate services provided to veterans with services provided by those organizations.

SEC. 11. TREATMENT TRIALS IN INTEGRATED MENTAL HEALTH SERVICES DELIVERY.

(a) ESTABLISHMENT.—The Secretary of Veterans Affairs shall carry out two treatment trials in integrated mental health services delivery. Each such trial shall be carried out at a Department of Veterans Affairs medical center selected by the Secretary for such purpose. The trials shall each be carried out over the same one-year period.

(b) DEFINITION.—For purposes of this section, the term ''integrated mental health services delivery'' means a coordinated and standardized approach to evaluation between mental health and primary health care professionals for enrollment, treatment, and followup of patients who have both mental health disorders (including substance use disorders) and medical conditions.

(c) SITE SELECTION CRITERIA.—In reviewing applications from Department medical centers for selection as a site for a treatment trial under this section, the Secretary shall consider models that use the following:

(1) Standardized criteria for admission and enrollment as participant or control.

(2) Focus on prevention and symptom reduction.

(3) Development of a comprehensive, integrated treatment plan.

(4) Patient assignment to a team or teams.

(5) Management of polypharmacy.

(6) Use of evidence-based treatment protocols.

(7) Case management between visits.

(8) Referral and coordination of appropriate Department or community-based services (including housing if necessary).

(9) Ability to maintain and provide outcomes for comparison purposes on veterans with similar diagnoses and characteristics who are not included in the trial, but who are receiving traditional consultative services in the same facility.

(d) TREATMENT MODELS TO BE TESTED.—The two treatment trials shall each use one of the following models:

(1) Mental health primary care teams.

(2) Patient assignment to a mental health primary care team that is linked with the patient's medical primary care team.

(e) STUDY OF EFFECTIVENESS.—The Secretary shall compare treatment outcomes (including such outcomes as veterans' satisfaction, health status, treatment compliance, patient functionality, reduction in addiction severity as well as service utilization and treatment costs) of the different treatment trials for chronically mentally ill veterans who are provided treatment through integrated mental health programs with treatment outcomes for similar chronically mentally ill veterans provided treatment through traditionally consultative relationships.

(f) RESULTS.—Not later than 30 months after selection of the two centers under this section, each selected center shall complete measures of treatment outcomes under subsection (e), as well as measures for matched controls.

(g) MANDATORY AUDIT OF RESULTS.—The Department of Veterans Affairs Medical Inspector General shall review medical records of participants and controls for both trials to ensure that results are accurate.

(h) REPORT AND DISSEMINATION OF RESULTS.—Not later than two years after the date of the enactment of this Act, the Secretary shall submit to Congress a report setting forth the results of the comparison under subsection (e) and such recommendations as the Secretary may have. Based upon the Secretary's conclusions, the Secretary shall disseminate the best practices for treatment of mentally ill veterans in such manner as the Secretary determines appropriate on a nationwide basis.

(i) COSTS.—The Secretary may use up to $2,000,000 from funds available to the Secretary for Medical Care for costs for each of the treatment trials. Funds identified by the Secretary for the trials shall remain available until expended.

SEC. 12. DENTAL CARE.

(a) IN GENERAL.—For purposes of section 1712(a)(1)(H) of title 38, United States Code, outpatient dental services and treatment of a dental condition or disability of a veteran described in subsection (b) shall be considered to be medically necessary if—

(1) the dental services and treatment are necessary for the veteran to successfully gain or regain employment;

(2) the dental services and treatment are necessary to alleviate pain; or

(3) the dental services and treatment are necessary for treatment of moderate, severe, or severe and complicated gingival and periodontal pathology.

(b) ELIGIBLE VETERANS.—Subsection (a) applies to a veteran who is—

(1) enrolled for care under section 1705(a) of title 38, United States Code; and

(2) receiving care (directly or by contract) in any of the following settings:

(A) A domiciliary under section 1710 of such title.

(B) A therapeutic residence under section 1772 of such title.

(C) Community residential care coordinated by the Secretary of Veterans Affairs under section 1730 of such title.

(D) A setting for which the Secretary provides funds for a grant and per diem provider.

(E) Any program described in section 7 of this Act.

SEC. 13. PROGRAMMATIC EXPANSIONS.

(a) ACCESS TO MENTAL HEALTH SERVICES.—The Secretary of Veterans Affairs shall develop standards to ensure that mental health services are available to veterans in a manner similar to the manner in which primary care is available to veterans who require services by ensuring that each primary care health care facility of the Department has a mental health treatment capacity.

(b) TRANSITIONAL HOUSING.—Effective October 1, 2001, section 12 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended to read as follows:

"SEC. 12. FUNDING.

''(a) AMOUNTS FOR GRANT AND PER DIEM PROGRAMS.—From amounts appropriated for 'Medical Care' for any fiscal year, the Secretary shall expend not less than $55,000,000 (as adjusted from time to time under subsection (b)) to carry out the transitional housing grant and per diem provider programs under sections 3 and 4 of this Act.

''(b) PERIODIC INCREASES.—The amount in effect under subsection (a) shall be increased for any fiscal year by the overall percentage increase in the Medical Care account for that fiscal year from the preceding fiscal year.''.

(c) COMPREHENSIVE HOMELESS SERVICES PROGRAM.—(1) The Secretary shall provide for the establishment of centers for the provision of comprehensive services to homeless veterans under section 1773(b) of title 38, United States Code, in at least each of the 20 largest metropolitan statistical areas.

(2) Section 1773(b) of title 38, United States Code, is amended by striking ''not fewer than eight''.

(d) OPIOID SUBSTITUTION THERAPY.—The Secretary shall ensure that opioid substitution therapy is available at each Department of Veterans Affairs medical center.

(e) PROGRAM EXPIRATION EXTENSION.—Sections 1771(b) and 1773(d) of title 38, United States Code, are amended by striking ''December 31, 2001'' and inserting ''December 31, 2006''.

SEC. 14. VARIOUS AUTHORITIES.

(a) EMPLOYMENT PROGRAMS.—The Secretary of Veterans Affairs may authorize homeless veterans receiving care through vocational rehabilitation programs to participate in the compensated work therapy program.

(b) SUPPORTED HOUSING FOR VETERANS PARTICIPATING IN COMPENSATED WORK THERAPIES.—The Secretary may authorize homeless veterans in the compensated work therapy program to be provided housing through the therapeutic residence program under section 1772 of title 38, United States Code, or through grant and per diem providers.

(c) STAFFING REQUIREMENT.—The Secretary shall ensure that there is assigned at each Veterans Benefits Administration regional office at least one employee assigned specifically to oversee and coordinate homeless veterans programs in that region, including the housing program for veterans supported by the Department of Housing and Urban Development, housing programs supported by the Department of Veterans Affairs, the homeless veterans reintegration program of the Department of Labor, the assessments required by section 1774 of title 38, United States Code, Comprehensive Homeless Centers, and such other duties relating to homeless veterans as may be assigned. In any such regional office with at least 140 employees, there shall be at least one full-time employee assigned to such functions.

(d) COORDINATION OF EMPLOYMENT SERVICES.—(1) Section 4103A(c) of title 38, United States Code, is amended by adding at the end the following new paragraph:

''(11) Coordination of services provided to veterans with training assistance provided to veterans by entities receiving financial assistance under section 738 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11448).''.

(2) Section 4104(b) of such title is amended—

(A) by striking ''and'' at the end of paragraph (11);

(B) by striking the period at the end of paragraph (12) and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(13) coordinate services provided to veterans with training assistance for veterans provided by entities receiving financial assistance under section 738 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11448).''.

SEC. 15. LIFE SAFETY CODE FOR GRANT AND PER DIEM PROVIDERS.

(a) NEW GRANTS.—Section 3(b)(5) of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended by striking '', but fire and safety'' and all that follows through ''in carrying out the grant'' and inserting ''and the fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association''.

(b) PREVIOUS GRANTEES.—Section 4 of such Act is amended by adding at the end the following new subsection:

''(e) LIFE SAFETY CODE.—(1) Except as provided in paragraph (2), a per diem payment (or in-kind assistance in lieu of per diem payments) may not be provided under this section to a grant recipient unless the facilities of the grant recipient meet the fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association.

''(2) During the five-year period beginning on the date of the enactment of the Heather French Henry Homeless Veterans Assistance Act, paragraph (1) shall not apply to an entity that received a grant under section 3 before that date if the entity meets fire and safety requirements established by the Secretary.

''(3) From amounts available for purposes of this section pursuant to section 12, not less than $5,000,000 shall be used only for grants to assist entities covered by paragraph (2) in meeting the Life Safety Code of the National Fire Protection Association.''.

SEC. 16. TRANSITIONAL ASSISTANCE GRANTS PILOT PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Veterans Affairs shall carry out a three-year pilot program of transitional assistance grants to eligible homeless veterans. The pilot program shall be established at not less than three nor more than six regional offices of the Department of Veterans Affairs and shall include at least one regional office located in a large urban area and at least one regional office serving primarily rural veterans. The maximum number of veterans who may participate in the pilot program is 600.

(b) ELIGIBLE VETERANS.—A veteran is eligible for a transitional assistance grant under this section if the veteran is physically present in the geographic area of a regional office which is participating in the pilot program and the veteran—

(1) is a veteran of a period of war or, if not a veteran of a period of war, meets the minimum service requirements specified in section 5303A of title 38, United States Code;

(2) is being released, or within the preceding 60 days was released, from an institution, including a hospital, a penal institution, a homeless shelter, or a facility of a grant and per diem provider;

(3) is a homeless veteran or was a homeless veteran before institutionalization; and

(4) had less than marginal income for the preceding three months.

(c) DURATION OF GRANT ASSISTANCE.—An eligible veteran may be provided a transitional assistance grant under this section for no more than three months.

(d) EXCEPTION TO LIMITATION ON GRANT ASSISTANCE.—(1) A veteran who receives transitional assistance under this section and who while in receipt of such assistance has a claim pending with the Secretary for service-connected disability compensation or nonservice-connected pension shall, notwithstanding subsection (c), continue to be provided transitional assistance under this section after the period prescribed in subsection (c) until the earlier of (A) the date on which a decision on the claim is made by the regional office, or (B) the end of the six-month period beginning on the date of expiration of eligibility under subsection (c).

(2) An extension of transitional assistance under paragraph (1) shall be terminated if, as determined by the Secretary, the veteran, without good cause, fails to cooperate in establishing the pending claim or if the gross monthly income of the veteran for a month exceeds twice the amount of transitional assistance benefits payable to the veteran for that month. The effective date of such a termination shall be the last day of the month following the month in which the extension under paragraph (1) is terminated under the preceding sentence.

(3) Claims of veterans receiving benefits under this subsection shall receive expedited consideration by the regional office.

(e) AMOUNT OF GRANT.—(1) The monthly amount of a grant provided under this section to an eligible veteran shall be the amount of monthly pension that would be payable to that veteran under chapter 15 of title 38, United States Code, if the veteran had a permanent and total nonservice-connected disability.

(2) Once eligibility for a grant under this section has been established, the amount of the grant shall be determined without regard to the veteran's income, other than as provided in subsection (d)(2).

(f) COORDINATION WITH OTHER BENEFITS.—If retroactive benefits from the Department of Veterans Affairs are payable to a veteran with respect to a month for which the veteran received a transitional assistance grant under this section, the amount of such retroactive benefit payable for such month shall be reduced (but not below zero) by the amount of the grant under this section paid for that month. No reduction may be made by the Secretary from an amount otherwise due a veteran for any other month to offset an amount paid under this section for a previous month.

(g) DEFINITIONS.—For purposes of this section:

(1) The term ''veteran'' means a person who served in the active military, naval, or air service (as defined in section 101 of title 38, United States Code) and who was discharged or released from any such period of service under conditions other than dishonorable.

(2) The term ''marginal income'', with respect to a veteran, means income below the poverty standard (as determined by the Bureau of the Census) for a family of the size of the veteran's family.

SEC. 17. ASSISTANCE FOR GRANT APPLICATIONS.

(a) GRANT PROGRAM.—The Secretary of Veterans Affairs shall carry out a program to make technical assistance grants to nonprofit community-based groups with experience in providing assistance to homeless veterans in order to assist such groups in applying for grants relating to addressing problems of homeless veterans.

(b) FUNDING.—There is authorized to be appropriated to the Secretary of Veterans Affairs for each of fiscal years 2002 through 2006, $750,000 to carry out the program under this section.

SEC. 18. HOME LOAN PROGRAM FOR MANUFACTURED HOUSING.

Section 3712(a)(1) of title 38, United States Code, is amended by adding at the end the following:

''With respect to a veteran who, as determined by the Secretary, is homeless, the Secretary may waive any otherwise applicable requirement under this chapter that a purchase of a manufactured home include ownership or purchase of a lot by the veteran to which the home is to be permanently affixed.''.

SEC. 19. EXTENSION OF HOMELESS VETERANS REINTEGRATION PROGRAM.

Section 4111(d)(1) of title 38, United States Code, is amended by striking subparagraphs (C) and (D) and inserting the following:

''(C) $50,000,000 for fiscal year 2002.
''(D) $50,000,000 for fiscal year 2003.
''(E) $50,000,000 for fiscal year 2004.
''(F) $50,000,000 for fiscal year 2005.
''(G) $50,000,000 for fiscal year 2006.''.

SEC. 20. USE OF REAL PROPERTY.

Section 8122(d) of title 38, United States Code, is amended by inserting before the period at the end the following: ''and is not suitable for use for the provision of services to homeless veterans by the Department or by another entity under an enhanced-use lease of such property under section 8162 of this title''.

DISABLED AMERICAN VETERANS,
Washington, DC, March 12, 2001.

Hon. PAUL D. WELLSTONE,
U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the more than one million members of the Disabled American Veterans (DAV), I urge you to co-sponsor and actively support the Heather French Henry Homeless Veterans Assistance Act soon to be introduced by Senator Paul Wellstone (D-MN).

This important legislation is aimed at ending homelessness among veterans by encouraging alliances between federal, state, and local governments, and private and public sector entities to address the homeless issue and by providing necessary resources to combat homelessness. Veterans who are homeless deserve a better deal than they are currently receiving from our government. This bill is an important key to ending this national shame.

As an organization committed to service, one of the DAV's top priorities is to help America's homeless veterans break the cycle of poverty and isolation, and move from the streets to self-sufficiency. Like any other problem, we can choose whether we will allow former defenders of our nation to be defeated by the tragedy of homelessness. Or we can decide to do something about it, to combine our efforts and strengthen our ability to assist these veterans. ''We Don't Leave our Wounded Behind'' is more than a clever slogan. It is a principle, a rule, and a promise we need to keep. This is the time to tap our hidden resources and strengths.

I encourage you to co-sponsor and support this important legislation. I appreciate your prompt attention to this matter when Senator Wellstone calls upon you to co-sponsor this legislation.

Sincerely,

ARMANDO C. ALBARRAN,
National Commander.

NATIONAL COALITION FOR HOMELESS VETERANS,
Washington, DC, March 12, 2001.

SUPPORT STATEMENT

As the first Miss America of the new millennium Heather French Henry chose to do so as a bold spokesperson and advocate for our nation's homeless veterans. She dedicated, not just a year of service, but also her life to creating unprecedented awareness surrounding this issue.

No single individual or group of individuals has been able to bring the homeless veteran issue to the national forefront like Heather French Henry. From the halls of Congress, to homeless shelters, and to communities across America, Heather has mobilized individuals to become involved on a single goal, ending homelessness among America's veterans.

Her sincere dedication and can do attitude has touched hundreds of lives literally and figuratively, as she has spoken out to advocate for our nation's veterans.

The National Coalition for Homeless Veterans sincerely appreciates Heather French Henry's continued commitment to this issue, after the glow of the crown has started to fade.

We also commend the commitment Senator Paul Wellstone has made for many years on the homeless veteran issue. He has been a consistent, outspoken leader in developing and implementing public laws that have brought more Federal resources into community organizations serving homeless veterans.

Senator Wellstone's introduction of the ''Heather French Henry Homeless Veteran Assistance Act'', a companion to the (H.R. 936) bill introduced in the House by representative Lane Evans (D-IL), is timely because it takes advantage of the unique information collection that was done by Ms. Henry during her travels and visits with veterans and communities, and applies it in the solutions outlined in the bill.

Our expectation is this bill will become the platform to address homeless veteran issues in the 107th Congress and we look forward to a continued active relationship with Ms. Henry and Senator Wellstone towards the goal of ending homelessness among our nation's veterans.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, DC, March 7, 2001.

Hon. PAUL WELLSTONE,
U.S. Senate,
Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the Veterans of Foreign Wars of the United States, I would like to take this opportunity to express our enthusiastic support of the Heather French Henry Homeless Veterans Assistance Act.

With at least 275,000 veterans homeless on any given night and more than 500,000 veterans homeless at some point during the year, the obvious need for assistance and community-based intervention is of paramount importance. Your bill recognizes the need to expand existing programs, incorporate new partnerships, and provide short-term assistance to the men and women who have served our nation in uniform. It genuinely embraces our shared goal of ending homelessness among our nation's veterans.

Through your legislative efforts we can work together to remedy this American tragedy.

Thank you for your service to America's veterans and please do not hesitate to contact me if I can be of further assistance.

Sincerely,

ROBERT E. WALLACE,
Executive Director.

PARALYZED VETERANS OF AMERICA,
Washington, DC, March 13, 2001.

Hon. PAUL WELLSTONE,
Hart Senate Office Building,
U.S. Senate, Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the members of the Paralyzed Veterans of America (PVA) I am writing to thank you for your support of the many veterans who face the trauma of homelessness. We applaud your planned introduction of the ''Heather French Henry Homeless Veterans Assistance Act'' to help correct this horrible testament to one of the ongoing ravages of war.

As you are aware, on any given night, an estimated 250,000 homeless veterans sleep in cardboard boxes, in alleys or on subway grates. Many of these individuals suffer from Post-Traumatic Stress Disorder and other illnesses that prevent them from getting and keeping employment, often a precursor to homelessness. We thank former Miss America Heather French Henry for making ''help for homeless veterans'' her platform and committing herself to insuring these veterans are not forgotten.

Homelessness does not have an easy fix. Only through dedicated efforts can it be reduced. Our veterans deserve those efforts. PVA wholeheartedly supports your proposed legislation. From sensible calculations of per diems to an increased focus on women and special needs veterans, this legislation will apply new approaches to caring for our veterans.

We all have a moral obligation to provide care to those veterans who are most vulnerable. Homelessness can be reduced, and Senator Wellstone, your legislation will mark a big step in the right direction.

Sincerely,

JOSEPH L. FOX, SR.,
National President.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. GRAHAM, Mr. HATCH, Mr. BREAUX, Mr. MURKOWSKI, Mr. KERRY, Mr. JEFFORDS, Mr. TORRICELLI, Mr. KYL, Mrs. LINCOLN, Mr. HUTCHINSON, Mr. JOHNSON, Mr. HAGEL, Mr. DURBIN, Mr. GREGG, Mr. SCHUMER, Mrs. HUTCHISON, Mr. BAYH, Mr. CHAFEE, and Mr. REID):

S. 742. A bill to provide for pension reform, and for other purposes; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, I rise today along with Senators BAUCUS, GRAHAM, HATCH, BREAUX, MURKOWSKI, KERRY, JEFFORDS, TORRICELLI, KYL, LINCOLN, HUTCHINSON, JOHNSON, HAGEL, DURBIN, GREGG, SCHUMER, HUTCHISON, BAYH, CHAFEE, and REID to introduce bipartisan legislation intended to help Americans build a more secure retirement. Many of these members, such as Senator GRAHAM, HATCH, BREAUX, and JEFFORDS have been engaged in pension reform issues for many years. Others bring new energy to the pension reform debate. I want to take a moment to thank them all for their hard work and enthusiasm in this bipartisan effort.

For five years now, Senate Finance Committee has worked on this comprehensive pension reform legislation. In the last Congress, we came very close to enacting it into law. For example, the Finance Committee unanimously reported out the bill in early September 2000. While our bill was not considered on the floor, my colleagues and I are not discouraged. We have built on the work from the last five years in crafting the Retirement Security and Savings Act of 2001.

Many baby boomers will enter retirement ill prepared for the potentially high costs of supporting themselves. Inflation alone can siphon money from a fixed income, reducing a retiree's standard of living. So it is important to have a considerable sum saved for one's postemployment years. A fixed income for a worker who retires today will have half the purchasing power 20 years from now, assuming the historical average rate of inflation of 3.25 percent. Having adequate retirement savings can protect against inflation and other unexpected costs. Savings rates are at an historical low, but this bill will provide the incentives individuals need to boost their savings rates.

The Retirement Security and Savings Act of 2001 has six titles: individual retirement arrangements; expanding coverage; enhancing fairness for women and families; increasing portability for participants; strengthening pension security and enforcement; and reducing regulatory burdens. Let me highlight a few provisions from each title.

The limit on annual contributions to an IRA has not increased in twenty years. If the contribution limit kept up with inflation, individuals would now be able to contribute around $5000 to an IRA each year. Our bill would increase the maximum contribution limit from $2000 to $5000 and adjust that limit for inflation.

The Retirement Security and Savings Act of 2001 would also eliminate the marriage penalty applicable to contributions to a Roth IRA. The income limits for contributing would now be increased so that the applicable limit for married couples is twice the limit for single taxpayers.

The Small Business Administration reports that, small businesses employ 52 percent of the private sector labor force. An amazing 75 percent of new jobs are created by small businesses. Yet less than 20 percent of small business employees are covered by a retirement plan of any kind. By contrast, approximately 70 percent of employees who work for larger firms are offered a retirement plan. We work to address this disparity in the bill by making pension plans more attractive to business owners. The limitations on annual contributions to 401(k) plans would increase from $10,500 to $15,000. The SIMPLE limit would increase to $10,000. We know that pension plans are bought and not sold. In a voluntary system such as ours, retirement plans must be attractive to the business owner in order for him or her to establish a plan in the first place and maintain it over many years. These higher limits help to make qualified plans more attractive, relative to non-qualified plans. When a business establishes a qualified plan, workers benefit, as well as business owners.

The bill would also help defray the administrative costs of setting up a retirement plan by offering a partial tax credit of the costs associated with starting a plan. Furthermore, the bill would provide an additional credit for small business employers who make an employer contribution to the new retirement plan for the benefit of non-highly compensated employees. These credits have the potential to expand coverage among small businesses and we hope they will help us to accomplish that objective.

This bill also encourages lower or middle income individuals, to save for their retirement by establishing a retirement savings tax credit. This non-refundable credit will be equal to 50 percent of up to $2000 in contributions for a married couple with an income up to $30,000, and $15,000 for an individual taxpayer. Our goal with this provision is get people, especially young people, in the habit of saving.

The Retirement Security and Savings Act of 2001 would encourage small businesses to start a retirement plan for their employees by eliminating unnecessary administrative complexity in the top heavy rules. Top heavy rules that apply only to small businesses and, according to an Employee Benefits Research Institute, EBRI, survey, are the number one regulatory reason why small business owners do not start a pension. While the language in this bill may not go as far as many would like, the changes we have made are a step in the right direction.

Women tend to be somewhat more at risk of living in poverty as they age. There are many causes for this trend. For example, women may have breaks in service to care for young children or for elderly family members. Consequently, we hope this legislation will help women workers more saving options despite periodic departures from the paid workforce.

The Retirement Security and Savings Act partially restores the artificial limits on how much people can save in their employer's pension plan. One of the most burdensome provisions in the Internal Revenue Code is that 25 percent of compensation limitation contained within section 451(c). Under section 415(c), total contributions by employer and employee into a defined contribution plan are limited to 25 percent of compensation or $35,000, whichever is less.

But the retirement savings vehicle available for most private sector workers is the 401(k) plan where the maximum amount a worker can save is currently $10,500. Thus, a workers who makes $40,000 annually could only save $10,000, but not the additional $500 allowed by the rules in the Code. My colleagues and I see section 415(c) as an artificial barrier to saving of ordinary Americans and believe the 415(c) limit should be removed.

Our bill also allows catch-up contributions for contributions to defined contribution plans and IRAs. The provision is applicable only to individuals

age 50 and older—aiding many who may have started saving late in life or after other major financial obligations were out of the way such as paying down mortgages or sending children to college. It may also help those who were not in the paid labor force while they took time off to care for young children or ailing family members.

This provision is also important for those who save for retirement only through an IRA. As I said a moment ago, the limits on IRAs have not escalated for twenty years. IRA savers have lost out on twenty years of contributions and earnings on those contributions that presumably would have been made had the limits increased with inflation as they do in other plans. Under current law, certain workers who save in section 403(b) plans or 457 (or in some cases a 401(k)) deferred compensation plans for state and local government employees are allowed to make catch-up contributions for a period of time prior to their retirement dates.

I know of no justification why catch-up contributions should not be allowed for all types of defined contribution plans. One complaint that plan administrators in the 403(b) and governmental (both 457 and 401(k)) plans have made is that the rules concerning when such catch-up contributions can be and how they must be made are cumbersome. Those plan experts advocate a greatly simplified framework for allowing catch-up contributions such as the one in our bill.

Under current law, an employer may require up to five years of service before an employee is entitled to employer's matching contributions to its retirement savings plan. The legislation would reduce the maximum number of years of service required to vest the employer's matching contributions to only three years. A shorter vesting requirement would ensure that more short-service workers will have a vested right to their employers' matching contributions. Thus, larger accounts will be available to be saved for retirement despite frequent job changes.

The legislation also contains proposals which promote retirement savings plan portability. The lack of portability among plans is one of the weak links in our current retirement saving system. This is an especially difficult problem for our public employees for whom current law does not permit rollovers. A police officer or firefighter who leaves public service at age 50 or 55 and begins another career in the private sector, may not transfer savings to his or her new plan even if the new employer's plan would accept them. Our bill would change this. It removes unnecessary obstacles to portability for all types of plans in the governmental, not-for-profit and the for-profit sectors of our economy.

In addition, this bill allows public sector workers to take benefits from a defined contribution plan and by service credit in their defined benefit plan. For example, many school teachers who move from one school district to another may not accrue sufficient years of service in their defined benefit plan to obtain the maximum benefit they need to retire. Yet many school teachers are good savers. They discipline themselves and save regularly in their defined contribution plans. Our bill will permit those employees who choose to do so, to ''purchase service credit'' in the defined benefit plan offered by their employing agency.

It is said that knowledge is power. Knowledge about an individual's pension benefits gives him or her the power to plan for retirement and correct errors before they enter retirement. The legislation would require that plan sponsors provide benefit statements to their participants on a periodic basis. For defined contribution plans, the statement would be required annually. For defined benefits plans, a statement would be required every three years. However, employers who provide an annual notice to employees of the availability of a benefit statement would not be required to provide automatic benefit statements to all employees.

The bill also simplifies and repeals some of the legal requirements that burden plans and increase costs for employers who sponsor pension plans. For example, the legislation seeks to repeal the full-funding limit that is imposed on defined benefit plans. This limit prevents employers from funding their defined benefit plans based on the current liability. This depressed funding level threatens the ability of employers to pay benefits, especially as the Baby Boom begins to retire.

This bill will also adjust the section 415 limits that have harmed many participants in multiemployer pension plans over the years. It will also provide a default option for a rollover to an IRA for certain involuntary cash outs. This is our first look at ways to reduce plan leakage.

In the case of a significant restructuring of a pension plan benefit formula, the Retirement Security and Savings Act of 2001 would require that affected recipients be given a benefit estimation tool kit. This would allow pension plan participants to easily determine how their individual benefits would be altered. The bill also directs the Treasury Department to study on the long-term effects of the trend of restructuring retirement plans.

To reduce the burdens of plan compliance, and to encourage voluntary compliance, the legislation includes a number of proposals intended to peel away at the layers of laws and regulations that add costs to plan administration, but don't add many benefits. The legislation would repeal unnecessary rules bogging down pension administration, such as the multiple use test and the same desk rule. Moreover, mistakes made in administering a pension plan are often inadvertent. The IRS would be directed to simplify and expand its voluntary compliance resolution system.

The Retirement Security and Savings Act of 2001 has considerable bipartisan support. Furthermore, over the years that it has been pending, this legislation has received the support of over 100 organizations. These organization include business groups and labor unions; large companies and small companies; private sector organizations and organizations representing government employees and many individuals. Few bills in the Senate can claim the diversity of support from organizations that traditionally don't agree on policy that the Retirement Security and Savings Act of 2001 enjoys. I am proud of this fact. I think it is the clearest signal that we need to enact comprehensive pension reform this session.

I am happy to add one more organization to the list of organizations supporting the Retirement Security and Savings Act of 2001. Horace Deets, Executive Director of AARP sent a letter to me this week expressing AARP's support for the legislation.

I will work to pass this critical piece of pension reform legislation this Congress. I urge my colleagues who have not already done so, to support the Retirement Security and Savings Act of 2001 and help Americans build a more secure retirement.

I ask unanimous consent that the text of the Retirement Security and Savings Act of 2001 be printed in the RECORD.

There being no objection, the bill S. 742 was ordered to be printed in the RECORD, as follows:

S. 742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Retirement Security and Savings Act of 2001''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 1. Short title; references; table of contents.

TITLE I—INDIVIDUAL RETIREMENT ACCOUNTS

Sec. 101. Modification of IRA contribution limits.
Sec. 102. Deemed IRAs under employer plans.
Sec. 103. Tax-free distributions from individual retirement accounts for charitable purposes.
Sec. 104. Modification of AGI limits for Roth IRAs.

TITLE II—EXPANDING COVERAGE

Sec. 201. Increase in benefit and contribution limits.
Sec. 202. Plan loans for subchapter S owners, partners, and sole proprietors.
Sec. 203. Modification of top-heavy rules.
Sec. 204. Elective deferrals not taken into account for purposes of deduction limits.

Sec. 205. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations.
Sec. 206. Deduction limits.
Sec. 207. Option to treat elective deferrals as after-tax Roth contributions.
Sec. 208. Nonrefundable credit to certain individuals for elective deferrals and IRA contributions.
Sec. 209. Credit for qualified pension plan contributions of small employers.
Sec. 210. Credit for pension plan startup costs of small employers.
Sec. 211. Elimination of user fee for requests to IRS regarding new pension plans.

TITLE III—ENHANCING FAIRNESS FOR WOMEN

Sec. 301. Catch-up contributions for individuals age 50 or over.
Sec. 302. Equitable treatment for contributions of employees to defined contribution plans.
Sec. 303. Faster vesting of certain employer matching contributions.
Sec. 304. Minimum distribution rules.
Sec. 305. Clarification of tax treatment of division of section 457 plan benefits upon divorce.
Sec. 306. Provisions relating to hardship distributions.
Sec. 307. Waiver of tax on nondeductible contributions for domestic or similar workers.

TITLE IV—INCREASING PORTABILITY FOR PARTICIPANTS

Sec. 401. Rollovers allowed among various types of plans.
Sec. 402. Rollovers of IRAs into workplace retirement plans.
Sec. 403. Rollovers of after-tax contributions.
Sec. 404. Hardship exception to 60-day rule.
Sec. 405. Treatment of forms of distribution.
Sec. 406. Rationalization of restrictions on distributions.
Sec. 407. Purchase of service credit in governmental defined benefit plans.
Sec. 408. Employers may disregard rollovers for purposes of cash-out amounts.
Sec. 409. Minimum distribution and inclusion requirements for section 457 plans.

TITLE V—STRENGTHENING PENSION SECURITY AND ENFORCEMENT

Subtitle A—General Provisions

Sec. 501. Repeal of 155 percent of current liability funding limit.
Sec. 502. Maximum contribution deduction rules modified and applied to all defined benefit plans.
Sec. 503. Excise tax relief for sound pension funding.
Sec. 504. Treatment of multiemployer plans under section 415.
Sec. 505. Protection of investment of employee contributions to 401(k) plans.
Sec. 506. Periodic pension benefits statements.
Sec. 507. Prohibited allocations of stock in S Corporation ESOP.
Sec. 508. Automatic rollovers of certain mandatory distributions.

Subtitle B—Treatment of Plan Amendments Reducing Future Benefit Accruals

Sec. 521. Notice required for pension plan amendments having the effect of significantly reducing future benefit accruals.

TITLE VI—REDUCING REGULATORY BURDENS

Sec. 601. Modification of timing of plan valuations.
Sec. 602. ESOP dividends may be reinvested without loss of dividend deduction.
Sec. 603. Repeal of transition rule relating to certain highly compensated employees.
Sec. 604. Employees of tax-exempt entities.
Sec. 605. Clarification of treatment of employer-provided retirement advice.
Sec. 606. Reporting simplification.
Sec. 607. Improvement of employee plans compliance resolution system.
Sec. 608. Repeal of the multiple use test.
Sec. 609. Flexibility in nondiscrimination, coverage, and line of business rules.
Sec. 610. Extension to all governmental plans of moratorium on application of certain nondiscrimination rules applicable to State and local plans.
Sec. 611. Notice and consent period regarding distributions.
Sec. 612. Annual report dissemination.
Sec. 613. Technical corrections to Saver Act.
Sec. 614. Studies.

TITLE VII—OTHER ERISA PROVISIONS

Sec. 701. Missing participants.
Sec. 702. Reduced PBGC premium for new plans of small employers.
Sec. 703. Reduction of additional PBGC premium for new and small plans.
Sec. 704. Authorization for PBGC to pay interest on premium overpayment refunds.
Sec. 705. Substantial owner benefits in terminated plans.
Sec. 706. Civil penalties for breach of fiduciary responsibility.
Sec. 707. Benefit suspension notice.

TITLE VIII—PLAN AMENDMENTS

Sec. 801. Provisions relating to plan amendments.

TITLE I—INDIVIDUAL RETIREMENT ACCOUNTS

SEC. 101. MODIFICATION OF IRA CONTRIBUTION LIMITS.

(a) INCREASE IN CONTRIBUTION LIMIT.—

(1) IN GENERAL.—Paragraph (1)(A) of section 219(b) (relating to maximum amount of deduction) is amended by striking ''$2,000'' and inserting ''the deductible amount''.

(2) DEDUCTIBLE AMOUNT.—Section 219(b) is amended by adding at the end the following new paragraph:

''(5) DEDUCTIBLE AMOUNT.—For purposes of paragraph (1)(A)—

''(A) IN GENERAL.—The deductible amount shall be determined in accordance with the following table:

''For taxable years beginning in:	The deductible amount is:
2002	$3,000
2003	$4,000
2004 and thereafter	$5,000.

''(B) CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS 50 OR OLDER.—In the case of an individual who has attained the age of 50 before the close of the taxable year, the deductible amount for such taxable year shall be an amount equal to 150 percent of such amount determined without regard to this subparagraph.

''(C) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2004, the $5,000 amount under subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2003' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $500, such amount shall be rounded to the next lower multiple of $500.''.

(b) INCREASE IN AGI LIMITS FOR ACTIVE PARTICIPANTS.—

(1) JOINT RETURNS.—The table in clause (i) of section 219(g)(3)(B) (relating to applicable dollar amount) is amended to read as follows:

''For taxable years beginning in calendar year:	The applicable dollar amount:
2002	$56,000
2003	$60,000
2004	$64,000
2005	$68,000
2006	$72,000
2007	$76,000
2008 or thereafter	$80,000.''.

(2) OTHER TAXPAYERS.—Section 219(g)(3)(B) (relating to applicable dollar amount) is amended by striking clauses (ii) and (iii) and inserting the following:

''(ii) In the case of any other taxpayer:

''For taxable years beginning in calendar year:	The applicable dollar amount:
2002	$36,000
2003	$40,000
2004	$44,000
2005	$48,000
2006 or thereafter	$50,000.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 408(a)(1) is amended by striking ''in excess of $2,000 on behalf of any individual'' and inserting ''on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)''.

(2) Section 408(b)(2)(B) is amended by striking ''$2,000'' and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(3) Section 408(b) is amended by striking ''$2,000'' in the matter following paragraph (4) and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(4) Section 408(j) is amended by striking ''$2,000''.

(5) Section 408(p)(8) is amended by striking ''$2,000'' and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 102. DEEMED IRAS UNDER EMPLOYER PLANS.

(a) IN GENERAL.—Section 408 (relating to individual retirement accounts) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

''(q) DEEMED IRAS UNDER QUALIFIED EMPLOYER PLANS.—

''(1) GENERAL RULE.—If—

''(A) a qualified employer plan elects to allow employees to make voluntary employee contributions to a separate account or annuity established under the plan, and

''(B) under the terms of the qualified employer plan, such account or annuity meets the applicable requirements of this section or section 408A for an individual retirement account or annuity,

then such account or annuity shall be treated for purposes of this title in the same manner as an individual retirement plan and not as a qualified employer plan (and contributions to such account or annuity as contributions to an individual retirement plan and not to the qualified employer plan). For purposes of subparagraph (B), the requirements of subsection (a)(5) shall not apply.

''(2) SPECIAL RULES FOR QUALIFIED EMPLOYER PLANS.—For purposes of this title, a qualified employer plan shall not fail to meet any requirement of this title solely by reason of establishing and maintaining a program described in paragraph (1).

''(3) DEFINITIONS.—For purposes of this subsection—

''(A) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given such term by section 72(p)(4); except such term shall only include an eligible deferred compensation plan (as defined in section 457(b)) which is maintained by an eligible employer described in section 457(e)(1)(A).

''(B) VOLUNTARY EMPLOYEE CONTRIBUTION.—The term 'voluntary employee contribution' means any contribution (other than a mandatory contribution within the meaning of section 411(c)(2)(C))—

''(i) which is made by an individual as an employee under a qualified employer plan which allows employees to elect to make contributions described in paragraph (1), and

''(ii) with respect to which the individual has designated the contribution as a contribution to which this subsection applies.''.

(b) AMENDMENT OF ERISA.—

(1) IN GENERAL.—Section 4 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003) is amended by adding at the end the following new subsection:

''(c) If a pension plan allows an employee to elect to make voluntary employee contributions to accounts and annuities as provided in section 408(q) of the Internal Revenue Code of 1986, such accounts and annuities (and contributions thereto) shall not be treated as part of such plan (or as a separate pension plan) for purposes of any provision of this title other than section 403(c), 404, or 405 (relating to exclusive benefit, and fiduciary and co-fiduciary responsibilities).''.

(2) CONFORMING AMENDMENT.—Section 4(a) of such Act (29 U.S.C. 1003(a)) is amended by inserting ''or (c)'' after ''subsection (b)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2002.

SEC. 103. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

''(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

''(A) IN GENERAL.—In the case of a qualified charitable distribution from an individual retirement account to an organization described in section 170(c), no amount shall be includible in the gross income of the account holder or beneficiary.

''(B) SPECIAL RULES RELATING TO CHARITABLE REMAINDER TRUSTS, POOLED INCOME FUNDS, AND CHARITABLE GIFT ANNUITIES.—

''(i) IN GENERAL.—In the case of a qualified charitable distribution from an individual retirement account—

''(I) to a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

''(II) to a pooled income fund (as defined in section 642(c)(5)), or

''(III) for the issuance of a charitable gift annuity (as defined in section 501(m)(5)),

no amount shall be includible in gross income of the account holder or beneficiary. The preceding sentence shall apply only if no person holds any interest in the amounts in the trust, fund, or annuity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

''(ii) DETERMINATION OF INCLUSION OF AMOUNTS DISTRIBUTED.—In determining the amount includible in the gross income of the distributee of a distribution from a trust described in clause (i)(I) or an annuity described in clause (i)(III), the portion of any qualified charitable distribution to such trust or for such annuity which would (but for this subparagraph) have been includible in gross income—

''(I) in the case of any such trust, shall be treated as income described in section 664(b)(1), or

''(II) in the case of any such annuity, shall not be treated as an investment in the contract.

''(iii) NO INCLUSION FOR DISTRIBUTION TO POOLED INCOME FUND.—No amount shall be includible in the gross income of a pooled income fund (as so defined) by reason of a qualified charitable distribution to such fund.

''(C) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

''(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 70½, and

''(ii) which is a charitable contribution (as defined in section 170(c)) made directly from the account to—

''(I) an organization described in section 170(c), or

''(II) a trust, fund, or annuity described in subparagraph (B).

''(D) DENIAL OF DEDUCTION.—The amount allowable as a deduction to the taxpayer for the taxable year under section 170 (before the application of section 170(b)) for qualified charitable distributions shall be reduced (but not below zero) by the sum of the amounts of the qualified charitable distributions during such year which (but for this paragraph) would have been includible in the gross income of the taxpayer for such year.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 104. MODIFICATION OF AGI LIMITS FOR ROTH IRAS.

(a) INCREASE IN AGI LIMIT FOR ROTH IRA CONTRIBUTIONS.—

(1) IN GENERAL.—Section 408A(c)(3)(C)(ii) (relating to limits based on modified adjusted gross income) is amended to read as follows:

''(ii) the applicable dollar amount is—

''(I) in the case of a taxpayer filing a joint return, $190,000, and

''(II) in the case of any other taxpayer, $95,000.''.

(2) PHASEOUT AMOUNT.—Clause (ii) of section 408A(c)(3)(A) is amended to read as follows:

''(ii) $15,000 ($30,000 in the case of a joint return).''

(b) INCREASE IN AGI LIMIT FOR ROTH IRA CONVERSIONS.—Section 408A(c)(3)(B) (relating to rollover from IRA) is amended by striking ''relates'' and all that follows and inserting ''relates, the taxpayer's adjusted gross income exceeds $100,000 ($200,000 in the case of a joint return).''.

(c) CONFORMING AMENDMENT.—Section 408A(c)(3) is amended by striking subparagraph (D).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

TITLE II—EXPANDING COVERAGE

SEC. 201. INCREASE IN BENEFIT AND CONTRIBUTION LIMITS.

(a) DEFINED BENEFIT PLANS.—

(1) DOLLAR LIMIT.—

(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking ''$90,000'' and inserting ''$160,000''.

(B) Subparagraphs (C) and (D) of section 415(b)(2) are each amended by striking ''$90,000'' each place it appears in the headings and the text and inserting ''$160,000''.

(C) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking ''the greater of $68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$90,000' '' and inserting ''one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$160,000' ''.

(2) LIMIT REDUCED WHEN BENEFIT BEGINS BEFORE AGE 62.—Subparagraph (C) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 62'' and by striking the second sentence.

(3) LIMIT INCREASED WHEN BENEFIT BEGINS AFTER AGE 65.—Subparagraph (D) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 65''.

(4) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking ''$90,000'' in paragraph (1)(A) and inserting ''$160,000''; and

(B) in paragraph (3)(A)—

(i) by striking ''$90,000'' in the heading and inserting ''$160,000''; and

(ii) by striking ''October 1, 1986'' and inserting ''July 1, 2001''.

(5) CONFORMING AMENDMENTS.—

(A) Section 415(b)(2) is amended by striking subparagraph (F).

(B) Section 415(b)(9) is amended to read as follows:

''(9) SPECIAL RULE FOR COMMERCIAL AIRLINE PILOTS.—In the case of any participant who is a commercial airline pilot, if, as of the time of the participant's retirement, regulations prescribed by the Federal Aviation Administration require an individual to separate from service as a commercial airline pilot after attaining any age occurring on or after age 60 and before age 62, paragraph (2)(C) shall be applied by substituting such age for age 62.''.

(C) Section 415(b)(10)(C)(i) is amended by striking ''applied without regard to paragraph (2)(F)''.

(b) QUALIFIED TRUSTS.—

(1) COMPENSATION LIMIT.—Sections 401(a)(17), 404(l), 408(k), and 505(b)(7) are each amended by striking ''$150,000'' each place it appears and inserting ''$200,000''.

(2) BASE PERIOD AND ROUNDING OF COST-OF-LIVING ADJUSTMENT.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking ''October 1, 1993'' and inserting ''July 1, 2001''; and

(B) by striking ''$10,000'' both places it appears and inserting ''$5,000''.

(c) ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Paragraph (1) of section 402(g) (relating to limitation on exclusion for elective deferrals) is amended to read as follows:

''(1) IN GENERAL.—

''(A) LIMITATION.—Notwithstanding subsections (e)(3) and (h)(1)(B), the elective deferrals of any individual for any taxable year shall be included in such individual's gross income to the extent the amount of such deferrals for the taxable year exceeds the applicable dollar amount.

''(B) APPLICABLE DOLLAR AMOUNT.—For purposes of subparagraph (A), the applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	The applicable dollar amount:
2002	$11,000
2003	$12,000
2004	$13,000
2005	$14,000
2006 or thereafter	$15,000.''.

(2) COST-OF-LIVING ADJUSTMENT.—Paragraph (5) of section 402(g) is amended to read as follows:

''(5) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning after December 31, 2006, the Secretary shall adjust the $15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2005, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(3) CONFORMING AMENDMENTS.—

(A) Section 402(g) (relating to limitation on exclusion for elective deferrals), as amended by paragraphs (1) and (2), is further amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(B) Paragraph (2) of section 457(c) is amended by striking ''402(g)(8)(A)(iii)'' and inserting ''402(g)(7)(A)(iii)''.

(C) Clause (iii) of section 501(c)(18)(D) is amended by striking ''(other than paragraph (4) thereof)''.

(d) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(A) in subsections (b)(2)(A) and (c)(1) by striking ''$7,500'' each place it appears and inserting ''the applicable dollar amount''; and

(B) in subsection (b)(3)(A) by striking ''$15,000'' and inserting ''twice the dollar amount in effect under subsection (b)(2)(A)''.

(2) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—Paragraph (15) of section 457(e) is amended to read as follows:

''(15) APPLICABLE DOLLAR AMOUNT.—

''(A) IN GENERAL.—The applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	The applicable dollar amount:
2002	$11,000
2003	$12,000
2004	$13,000
2005	$14,000
2006 or thereafter	$15,000.

''(B) COST-OF-LIVING ADJUSTMENTS.—In the case of taxable years beginning after December 31, 2006, the Secretary shall adjust the $15,000 amount under subparagraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2005, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(e) SIMPLE RETIREMENT ACCOUNTS.—

(1) LIMITATION.—Clause (ii) of section 408(p)(2)(A) (relating to general rule for qualified salary reduction arrangement) is amended by striking ''$6,000'' and inserting ''the applicable dollar amount''.

(2) APPLICABLE DOLLAR AMOUNT.—Subparagraph (E) of 408(p)(2) is amended to read as follows:

''(E) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(ii), the applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	The applicable dollar amount:
2002	$7,000
2003	$8,000
2004	$9,000
2005 or thereafter	$10,000.

''(ii) COST-OF-LIVING ADJUSTMENT.—In the case of a year beginning after December 31, 2005, the Secretary shall adjust the $10,000 amount under clause (i) at the same time and in the same manner as under section 415(d), except that the base period taken into account shall be the calendar quarter beginning July 1, 2004, and any increase under this subparagraph which is not a multiple of $500 shall be rounded to the next lower multiple of $500.''.

(3) CONFORMING AMENDMENTS.—

(A) Subclause (I) of section 401(k)(11)(B)(i) is amended by striking ''$6,000'' and inserting ''the amount in effect under section 408(p)(2)(A)(ii)''.

(B) Section 401(k)(11) is amended by striking subparagraph (E).

(f) ROUNDING RULE RELATING TO DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS.—Paragraph (4) of section 415(d) is amended to read as follows:

''(4) ROUNDING.—

''(A) $160,000 AMOUNT.—Any increase under subparagraph (A) of paragraph (1) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

''(B) $30,000 AMOUNT.—Any increase under subparagraph (C) of paragraph (1) which is not a multiple of $1,000 shall be rounded to the next lowest multiple of $1,000.''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 202. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) IN GENERAL.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

''(iii) LOAN EXCEPTION.—For purposes of subparagraph (A)(i), the term 'owner-employee' shall only include a person described in subclause (II) or (III) of clause (i).''.

(b) AMENDMENT OF ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

''(C) For purposes of paragraph (1)(A), the term 'owner-employee' shall only include a person described in clause (ii) or (iii) of subparagraph (A).''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 203. MODIFICATION OF TOP-HEAVY RULES.

(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking ''or any of the 4 preceding plan years'' in the matter preceding clause (i);

(B) by striking clause (i) and inserting the following:

''(i) an officer of the employer having an annual compensation greater than the amount in effect under section 414(q)(1)(B)(i) for such plan year,'';

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively;

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C); and

(E) by adding at the end the following: ''For purposes of this subparagraph, in the case of an employee who is not employed during the preceding plan year or is employed for a portion of such year, such employee shall be treated as a key employee if it can be reasonably anticipated that such employee will be described in 1 of the preceding clauses for the current plan year.''.

(2) CONFORMING AMENDMENT.—Section 416(i)(1)(B)(iii) is amended by striking ''and subparagraph (A)(ii)''.

(b) MATCHING CONTRIBUTIONS TAKEN INTO ACCOUNT FOR MINIMUM CONTRIBUTION REQUIREMENTS.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: ''Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.''.

(c) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (3) of section 416(g) is amended to read as follows:

''(3) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

''(A) IN GENERAL.—For purposes of determining—

''(i) the present value of the cumulative accrued benefit for any employee, or

''(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

''(B) 5-YEAR PERIOD IN CASE OF IN-SERVICE DISTRIBUTION.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting '5-year period' for '1-year period'.''.

(2) BENEFITS NOT TAKEN INTO ACCOUNT.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking ''LAST 5 YEARS'' in the heading and inserting ''LAST YEAR BEFORE DETERMINATION DATE''; and

(B) by striking ''5-year period'' and inserting ''1-year period''.

(d) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) by striking ''clause (ii)'' in clause (i) and inserting ''clause (ii) or (iii)''; and

(B) by adding at the end the following:

''(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no key employee or former key employee.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 204. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

''(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—Elective deferrals (as defined in section

402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 205. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section 201, is amended to read as follows:

''(c) LIMITATION.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2001.

SEC. 206. DEDUCTION LIMITS.

(a) MODIFICATION OF LIMITS.—

(1) STOCK BONUS AND PROFIT SHARING TRUSTS.—

(A) IN GENERAL.—Subclause (I) of section 404(a)(3)(A)(i) (relating to stock bonus and profit sharing trusts) is amended by striking ''15 percent'' and inserting ''25 percent''.

(B) CONFORMING AMENDMENT.—Subparagraph (C) of section 404(h)(1) is amended by striking ''15 percent'' each place it appears and inserting ''25 percent''.

(2) DEFINED CONTRIBUTION PLANS.—

(A) IN GENERAL.—Clause (v) of section 404(a)(3)(A) (relating to stock bonus and profit sharing trusts) is amended to read as follows:

''(v) DEFINED CONTRIBUTION PLANS SUBJECT TO THE FUNDING STANDARDS.—Except as provided by the Secretary, a defined contribution plan which is subject to the funding standards of section 412 shall be treated in the same manner as a stock bonus or profit-sharing plan for purposes of this subparagraph.''

(B) CONFORMING AMENDMENTS.—

(i) Section 404(a)(1)(A) is amended by inserting ''(other than a trust to which paragraph (3) applies)'' after ''pension trust''.

(ii) Section 404(h)(2) is amended by striking ''stock bonus or profit-sharing trust'' and inserting ''trust subject to subsection (a)(3)(A)''.

(iii) The heading of section 404(h)(2) is amended by striking ''STOCK BONUS AND PROFIT-SHARING TRUST'' and inserting ''CERTAIN TRUSTS''.

(b) COMPENSATION.—

(1) IN GENERAL.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

''(12) DEFINITION OF COMPENSATION.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as 'participant's compensation' under subparagraph (C) or (D) of section 415(c)(3).''.

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(B) Clause (i) of section 4972(c)(6)(B) is amended by striking ''(within the meaning of section 404(a))'' and inserting ''(within the meaning of section 404(a) and as adjusted under section 404(a)(12))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 207. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX ROTH CONTRIBUTIONS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

''SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

''(a) GENERAL RULE.—If an applicable retirement plan includes a qualified Roth contribution program—

''(1) any designated Roth contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

''(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

''(b) QUALIFIED ROTH CONTRIBUTION PROGRAM.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified Roth contribution program' means a program under which an employee may elect to make designated Roth contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

''(2) SEPARATE ACCOUNTING REQUIRED.—A program shall not be treated as a qualified Roth contribution program unless the applicable retirement plan—

''(A) establishes separate accounts ('designated Roth accounts') for the designated Roth contributions of each employee and any earnings properly allocable to the contributions, and

''(B) maintains separate recordkeeping with respect to each account.

''(c) DEFINITIONS AND RULES RELATING TO DESIGNATED ROTH CONTRIBUTIONS.—For purposes of this section—

''(1) DESIGNATED ROTH CONTRIBUTION.—The term 'designated Roth contribution' means any elective deferral which—

''(A) is excludable from gross income of an employee without regard to this section, and

''(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

''(2) DESIGNATION LIMITS.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

''(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

''(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

''(3) ROLLOVER CONTRIBUTIONS.—

''(A) IN GENERAL.—A rollover contribution of any payment or distribution from a designated Roth account which is otherwise allowable under this chapter may be made only if the contribution is to—

''(i) another designated Roth account of the individual from whose account the payment or distribution was made, or

''(ii) a Roth IRA of such individual.

''(B) COORDINATION WITH LIMIT.—Any rollover contribution to a designated Roth account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

''(d) DISTRIBUTION RULES.—For purposes of this title—

''(1) EXCLUSION.—Any qualified distribution from a designated Roth account shall not be includible in gross income.

''(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

''(B) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated Roth account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

''(i) the first taxable year for which the individual made a designated Roth contribution to any designated Roth account established for such individual under the same applicable retirement plan, or

''(ii) if a rollover contribution was made to such designated Roth account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.

''(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND CONTRIBUTIONS AND EARNINGS THEREON.—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) or any excess contribution under section 401(k)(8), and any income on the excess deferral or contribution.

''(3) TREATMENT OF DISTRIBUTIONS OF CERTAIN EXCESS DEFERRALS.—Notwithstanding section 72, if any excess deferral under section 402(g)(2) attributable to a designated Roth contribution is not distributed on or before the 1st April 15 following the close of the taxable year in which such excess deferral is made, the amount of such excess deferral shall—

''(A) not be treated as investment in the contract, and

''(B) be included in gross income for the taxable year in which such excess is distributed.

''(4) AGGREGATION RULES.—Section 72 shall be applied separately with respect to distributions and payments from a designated Roth account and other distributions and payments from the plan.

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) APPLICABLE RETIREMENT PLAN.—The term 'applicable retirement plan' means—

''(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

''(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).''.

(b) EXCESS DEFERRALS.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1)(A) (as added by section 201(c)(1)) the following new sentence: ''The preceding sentence shall not apply the portion of such excess as does not exceed the designated Roth contributions of the individual for the taxable year.''; and

(2) by inserting ''(or would be included but for the last sentence thereof)'' after ''paragraph (1)'' in paragraph (2)(A).

(c) ROLLOVERS.—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

''If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated Roth account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated Roth account and a Roth IRA.''.

(d) REPORTING REQUIREMENTS.—

(1) W–2 INFORMATION.—Section 6051(a)(8) is amended by inserting '', including the amount of designated Roth contributions (as defined in section 402A)'' before the comma at the end.

(2) INFORMATION.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DESIGNATED ROTH CONTRIBUTIONS.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated Roth contributions (as defined in section 402A) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: ''Such term includes a rollover contribution described in section 402A(c)(3)(A).''.

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

''Sec. 402A. Optional treatment of elective deferrals as Roth contributions.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 208. NONREFUNDABLE CREDIT TO CERTAIN INDIVIDUALS FOR ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

''SEC. 25B. ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS BY CERTAIN INDIVIDUALS.

''(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of so much of the qualified retirement savings contributions of the eligible individual for the taxable year as do not exceed $2,000.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage is the percentage determined in accordance with the following table:

Adjusted Gross Income						Applicable percentage
Joint return		Head of a household		All other cases		
Over	Not over	Over	Not over	Over	Not over	
$0	$30,000	$0	$22,500	$0	$15,000	50
30,000	32,500	22,500	24,375	15,000	16,250	20
32,500	50,000	24,375	37,500	16,250	25,000	10
50,000		37,500		25,000		0

''(c) ELIGIBLE INDIVIDUAL.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible individual' means any individual if such individual has attained the age of 18 as of the close of the taxable year.

''(2) DEPENDENTS AND FULL-TIME STUDENTS NOT ELIGIBLE.—The term 'eligible individual' shall not include—

''(A) any individual with respect to whom a deduction under section 151 is allowed to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins, and

''(B) any individual who is a student (as defined in section 151(c)(4)).

''(d) QUALIFIED RETIREMENT SAVINGS CONTRIBUTIONS.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified retirement savings contributions' means, with respect to any taxable year, the sum of—

''(A) the amount of the qualified retirement contributions (as defined in section 219(e)) made by the eligible individual,

''(B) the amount of—

''(i) any elective deferrals (as defined in section 402(g)(3)) of such individual, and

''(ii) any elective deferral of compensation by such individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

''(C) the amount of voluntary employee contributions by such individual to any qualified retirement plan (as defined in section 4974(c)).

''(2) REDUCTION FOR CERTAIN DISTRIBUTIONS.—

''(A) IN GENERAL.—The qualified retirement savings contributions determined under paragraph (1) shall be reduced (but not below zero) by the sum of—

''(i) any distribution from a qualified retirement plan (as defined in section 4974(c)), or from an eligible deferred compensation plan (as defined in section 457(b)), received by the individual during the testing period which is includible in gross income, and

''(ii) any distribution from a Roth IRA received by the individual during the testing period which is not a qualified rollover contribution (as defined in section 408A(e)) to a Roth IRA.

''(B) TESTING PERIOD.—For purposes of subparagraph (A), the testing period, with respect to a taxable year, is the period which includes—

''(i) such taxable year,

''(ii) the 2 preceding taxable years, and

''(iii) the period after such taxable year and before the due date (including extensions) for filing the return of tax for such taxable year.

''(C) EXCEPTED DISTRIBUTIONS.—There shall not be taken into account under subparagraph (A)—

''(i) any distribution referred to in section 72(p), 401(k)(8), 401(m)(6), 402(g)(2), 404(k), or 408(d)(4), and

''(ii) any distribution to which section 408A(d)(3) applies.

''(D) TREATMENT OF DISTRIBUTIONS RECEIVED BY SPOUSE OF INDIVIDUAL.—For purposes of determining distributions received by an individual under subparagraph (A) for any taxable year, any distribution received by the spouse of such individual shall be treated as received by such individual if such individual and spouse file a joint return for such taxable year and for the taxable year during which the spouse receives the distribution.

''(e) ADJUSTED GROSS INCOME.—For purposes of this section, adjusted gross income shall be determined without regard to sections 911, 931, and 933.

''(f) INVESTMENT IN THE CONTRACT.—Notwithstanding any other provision of law, a qualified retirement savings contribution shall not fail to be included in determining the investment in the contract for purposes of section 72 by reason of the credit under this section.''

(b) CREDIT ALLOWED AGAINST REGULAR TAX AND ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Subsection (a) of section 26 is amended by inserting ''(other than the credit allowed by section 25B)'' after ''credits allowed by this subpart''.

(2) CONFORMING AMENDMENT.—Section 25B, as added by subsection (a), is amended by inserting after subsection (f) the following new subsection:

''(g) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate credit allowed by this section for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year reduced by the sum of the credits allowed by sections 21, 22, 23, 24, 25, and 25A, plus

''(2) the tax imposed by section 55 for such taxable year.''

(c) ANNUAL REPORT.—The Comptroller General of the United States shall submit a report annually to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the number of taxpayers receiving the credit allowed under section 25B of the Internal Revenue Code of 1986, as added by subsection (a).

(d) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25A the following new item:

''Sec. 25B. Elective deferrals and IRA contributions by certain individuals.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001, and before January 1, 2007.

SEC. 209. CREDIT FOR QUALIFIED PENSION PLAN CONTRIBUTIONS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45E. SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan contribution credit determined under this section for any taxable year is an amount equal to 50 percent of the amount which would (but for subsection (f)(1)) be allowed as a deduction under section 404 for such taxable year for

qualified employer contributions made to any qualified retirement plan on behalf of any employee who is not a highly compensated employee.

''(b) CREDIT LIMITED TO 3 YEARS.—The credit allowable by this section shall be allowed only with respect to the period of 3 taxable years beginning with the first taxable year for which a credit is allowable with respect to a plan under this section.

''(c) QUALIFIED EMPLOYER CONTRIBUTION.—For purposes of this section—

''(1) DEFINED CONTRIBUTION PLANS.—In the case of a defined contribution plan, the term 'qualified employer contribution' means the amount of nonelective and matching contributions to the plan made by the employer on behalf of any employee who is not a highly compensated employee to the extent such amount does not exceed 3 percent of such employee's compensation from the employer for the year.

''(2) DEFINED BENEFIT PLANS.—In the case of a defined benefit plan, the term 'qualified employer contribution' means the amount of employer contributions to the plan made on behalf of any employee who is not a highly compensated employee to the extent that the accrued benefit of such employee derived from employer contributions for the year does not exceed the equivalent (as determined under regulations prescribed by the Secretary and without regard to contributions and benefits under the Social Security Act) of 3 percent of such employee's compensation from the employer for the year.

''(d) QUALIFIED RETIREMENT PLAN.—

''(1) IN GENERAL.—The term 'qualified retirement plan' means any plan described in section 401(a) which includes a trust exempt from tax under section 501(a) if the plan meets—

''(A) the contribution requirements of paragraph (2),

''(B) the vesting requirements of paragraph (3), and

''(C) the distribution requirements of paragraph (4).

''(2) CONTRIBUTION REQUIREMENTS.—

''(A) IN GENERAL.—The requirements of this paragraph are met if, under the plan—

''(i) the employer is required to make nonelective contributions of at least 1 percent of compensation (or the equivalent thereof in the case of a defined benefit plan) for each employee who is not a highly compensated employee who is eligible to participate in the plan, and

''(ii) allocations of nonelective employer contributions are either in equal dollar amounts for all employees covered by the plan or bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of the employees covered by the plan.

''(B) COMPENSATION LIMITATION.—The compensation taken into account under subparagraph (A) for any year shall not exceed the limitation in effect for such year under section 401(a)(17).

''(3) VESTING REQUIREMENTS.—The requirements of this paragraph are met if the plan satisfies the requirements of subparagraph (A) or (B).

''(A) 3-YEAR VESTING.—A plan satisfies the requirements of this subparagraph if an employee who has completed at least 3 years of service has a nonforfeitable right to 100 percent of the employee's accrued benefit derived from employer contributions.

''(B) 5-YEAR GRADED VESTING.—A plan satisfies the requirements of this subparagraph if an employee has a nonforfeitable right to a percentage of the employee's accrued benefit derived from employer contributions determined under the following table:

''Years of service:	The nonforfeitable percentage is:
1	20
2	40
3	60
4	80
5	100.

''(4) DISTRIBUTION REQUIREMENTS.—In the case of a profit-sharing or stock bonus plan, the requirements of this paragraph are met if, under the plan, qualified employer contributions are distributable only as provided in section 401(k)(2)(B).

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE EMPLOYER.—

''(A) IN GENERAL.—The term 'eligible employer' means, with respect to any year, an employer which has no more than 50 employees who received at least $5,000 of compensation from the employer for the preceding year.

''(B) REQUIREMENT FOR NEW QUALIFIED EMPLOYER PLANS.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

''(2) HIGHLY COMPENSATED EMPLOYEE.—The term 'highly compensated employee' has the meaning given such term by section 414(q) (determined without regard to section 414(q)(1)(B)(ii)).

''(f) SPECIAL RULES.—

''(1) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified employer contributions paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

''(2) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.

''(3) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All eligible employer plans shall be treated as 1 eligible employer plan.

''(g) RECAPTURE OF CREDIT ON FORFEITED CONTRIBUTIONS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), if any accrued benefit which is forfeitable by reason of subsection (d)(3) is forfeited, the employer's tax imposed by this chapter for the taxable year in which the forfeiture occurs shall be increased by 35 percent of the employer contributions from which such benefit is derived to the extent such contributions were taken into account in determining the credit under this section.

''(2) REALLOCATED CONTRIBUTIONS.—Paragraph (1) shall not apply to any contribution which is reallocated by the employer under the plan to employees who are not highly compensated employees.''.

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit) is amended by striking ''plus'' at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting '', plus'', and by adding at the end the following new paragraph:

''(14) in the case of an eligible employer (as defined in section 45E(e)), the small employer pension plan contribution credit determined under section 45E(a).''

(c) CONFORMING AMENDMENTS.—

(1) Section 39(d) is amended by adding at the end the following new paragraph:

''(10) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN CONTRIBUTION CREDIT BEFORE JANUARY 1, 2002.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan contribution credit determined under section 45E may be carried back to a taxable year beginning before January 1, 2002.''

(2) Subsection (c) of section 196 is amended by striking ''and'' at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting '', and'', and by adding at the end the following new paragraph:

''(10) the small employer pension plan contribution credit determined under section 45E(a).''

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45E. Small employer pension plan contributions.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or incurred in taxable years beginning after December 31, 2001.

SEC. 210. CREDIT FOR PENSION PLAN STARTUP COSTS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 209, is amended by adding at the end the following new section:

''SEC. 45F. SMALL EMPLOYER PENSION PLAN STARTUP COSTS.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan startup cost credit determined under this section for any taxable year is an amount equal to 50 percent of the qualified startup costs paid or incurred by the taxpayer during the taxable year.

''(b) DOLLAR LIMITATION.—The amount of the credit determined under this section for any taxable year shall not exceed—

''(1) $500 for the first credit year and each of the 2 taxable years immediately following the first credit year, and

''(2) zero for any other taxable year.

''(c) ELIGIBLE EMPLOYER.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible employer' has the meaning given such term by section 408(p)(2)(C)(i).

''(2) REQUIREMENT FOR NEW QUALIFIED EMPLOYER PLANS.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

''(d) OTHER DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED STARTUP COSTS.—

''(A) IN GENERAL.—The term 'qualified startup costs' means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

''(i) the establishment or administration of an eligible employer plan, or

''(ii) the retirement-related education of employees with respect to such plan.

''(B) PLAN MUST HAVE AT LEAST 1 PARTICIPANT.—Such term shall not include any expense in connection with a plan that does

not have at least 1 employee eligible to participate who is not a highly compensated employee.

''(2) ELIGIBLE EMPLOYER PLAN.—The term 'eligible employer plan' means a qualified employer plan within the meaning of section 4972(d).

''(3) FIRST CREDIT YEAR.—The term 'first credit year' means—

''(A) the taxable year which includes the date that the eligible employer plan to which such costs relate becomes effective, or

''(B) at the election of the eligible employer, the taxable year preceding the taxable year referred to in subparagraph (A).

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All eligible employer plans shall be treated as 1 eligible employer plan.

''(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified startup costs paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

''(3) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.''

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit), as amended by section 209, is amended by striking ''plus'' at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting '', plus'', and by adding at the end the following new paragraph:

''(15) in the case of an eligible employer (as defined in section 45E(c)), the small employer pension plan startup cost credit determined under section 45F(a).''

(c) CONFORMING AMENDMENTS.—

(1) Section 39(d), as amended by section 209(c), is amended by adding at the end the following new paragraph:

''(11) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN STARTUP COST CREDIT BEFORE JANUARY 1, 2002.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan startup cost credit determined under section 45F may be carried back to a taxable year beginning before January 1, 2002.''

(2) Subsection (c) of section 196, as amended by section 209(c), is amended by striking ''and'' at the end of paragraph (9), by striking the period at the end of paragraph (10) and inserting '', and'', and by adding at the end the following new paragraph:

''(11) the small employer pension plan startup cost credit determined under section 45F(a).''

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 209(c), is amended by adding at the end the following new item:

''Sec. 45F. Small employer pension plan startup costs.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after December 31, 2001, with respect to qualified employer plans established after such date.

SEC. 211. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING NEW PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 10511 of the Revenue Act of 1987 for requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters or similar requests with respect to the qualified status of a new pension benefit plan or any trust which is part of the plan.

(b) NEW PENSION BENEFIT PLAN.—For purposes of this section—

(1) IN GENERAL.—The term ''new pension benefit plan'' means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan which is maintained by one or more eligible employers if such employer (or any predecessor employer) has not made a prior request described in subsection (a) for such plan (or any predecessor plan).

(2) ELIGIBLE EMPLOYER.—The term ''eligible employer'' shall not include an employer if, during the 3-taxable year period immediately preceding the taxable year in which the request is made, the employer or any member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued for service, for substantially the same employees as are in the qualified employer plan.

(c) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 2001.

TITLE III—ENHANCING FAIRNESS FOR WOMEN

SEC. 301. CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.

(a) IN GENERAL.—Section 414 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

''(v) CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.—

''(1) IN GENERAL.—An applicable employer plan shall not be treated as failing to meet any requirement of this title solely because the plan permits an eligible participant to make additional elective deferrals in any plan year.

''(2) LIMITATION ON AMOUNT OF ADDITIONAL DEFERRALS.—

''(A) IN GENERAL.—A plan shall not permit additional elective deferrals under paragraph (1) for any year in an amount greater than the lesser of—

''(i) the applicable percentage of the applicable dollar amount for such elective deferrals for such year, or

''(ii) the excess (if any) of—

''(I) the participant's compensation (as defined in section 415(c)(3)) for the year, over

''(II) any other elective deferrals of the participant for such year which are made without regard to this subsection.

''(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2002	10
2003	20
2004	30
2005	40
2006 and thereafter	50.

''(3) TREATMENT OF CONTRIBUTIONS.—In the case of any contribution to a plan under paragraph (1)—

''(A) such contribution shall not, with respect to the year in which the contribution is made—

''(i) be subject to any otherwise applicable limitation contained in section 402(g), 402(h), 403(b), 404(a), 404(h), 408(k), 408(p), 415, or 457, or

''(ii) be taken into account in applying such limitations to other contributions or benefits under such plan or any other such plan, and

''(B) such plan shall not be treated as failing to meet the requirements of section 401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 401(m), 403(b)(12), 408(k), 408(p), 408B, 410(b), or 416 by reason of the making of (or the right to make) such contribution.

''(4) ELIGIBLE PARTICIPANT.—For purposes of this subsection, the term 'eligible participant' means, with respect to any plan year, a participant in a plan—

''(A) who has attained the age of 50 before the close of the plan year, and

''(B) with respect to whom no other elective deferrals may (without regard to this subsection) be made to the plan for the plan year by reason of the application of any limitation or other restriction described in paragraph (3) or comparable limitation or restriction contained in the terms of the plan.

''(5) OTHER DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) APPLICABLE DOLLAR AMOUNT.—The term 'applicable dollar amount' means, with respect to any year, the amount in effect under section 402(g)(1)(B), 408(p)(2)(E)(i), or 457(e)(15)(A), whichever is applicable to an applicable employer plan, for such year.

''(B) APPLICABLE EMPLOYER PLAN.—The term 'applicable employer plan' means—

''(i) an employees' trust described in section 401(a) which is exempt from tax under section 501(a),

''(ii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

''(iii) an eligible deferred compensation plan under section 457 of an eligible employer described in section 457(e)(1)(A), and

''(iv) an arrangement meeting the requirements of section 408 (k) or (p).

''(C) ELECTIVE DEFERRAL.—The term 'elective deferral' has the meaning given such term by subsection (u)(2)(C).

''(D) EXCEPTION FOR SECTION 457 PLANS.—This subsection shall not apply to an applicable employer plan described in subparagraph (B)(iii) for any year to which section 457(b)(3) applies.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2001.

SEC. 302. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) EQUITABLE TREATMENT.—

(1) IN GENERAL.—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking ''25 percent'' and inserting ''100 percent''.

(2) APPLICATION TO SECTION 403(b).—Section 403(b) is amended—

(A) by striking ''the exclusion allowance for such taxable year'' in paragraph (1) and inserting ''the applicable limit under section 415'';

(B) by striking paragraph (2); and

(C) by inserting ''or any amount received by a former employee after the fifth taxable year following the taxable year in which such employee was terminated'' before the period at the end of the second sentence of paragraph (3).

(3) CONFORMING AMENDMENTS.—

(A) Subsection (f) of section 72 is amended by striking ''section 403(b)(2)(D)(iii))'' and inserting ''section 403(b)(2)(D)(iii), as in effect before the enactment of the Retirement Security and Savings Act of 2001)''.

(B) Section 404(a)(10)(B) is amended by striking '', the exclusion allowance under section 403(b)(2),''.

(C) Section 415(a)(2) is amended by striking '', and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)''.

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

''(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term 'participant's compensation' means the participant's includible compensation determined under section 403(b)(3).''.

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

''(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

''(B) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

''(C) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).''.

(G) Subparagraph (B) of section 402(g)(7) (as redesignated by section 201(c)(3)) is amended by inserting before the period at the end the following: ''(as in effect before the enactment of the Retirement Security and Savings Act of 2001)''.

(H) Section 664(g) is amended—

(i) in paragraph (3)(E) by striking ''limitations under section 415(c)'' and inserting ''applicable limitation under paragraph (7)'', and

(ii) by adding at the end the following new paragraph:

''(7) APPLICABLE LIMITATION.—

''(A) IN GENERAL.—For purposes of paragraph (3)(E), the applicable limitation under this paragraph with respect to a participant is an amount equal to the lesser of—

''(i) $30,000, or

''(ii) 25 percent of the participant's compensation (as defined in section 415(c)(3)).

''(B) COST-OF-LIVING ADJUSTMENT.—The Secretary shall adjust annually the $30,000 amount under subparagraph (A)(i) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning October 1, 1993, and any increase under this subparagraph which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.''.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 2000.

(B) EXCLUSION ALLOWANCE.—Effective for limitation years beginning in 2001, in the case of any annuity contract described in section 403(b) of the Internal Revenue Code of 1986, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(3) MODIFICATION OF 403(b) EXCLUSION ALLOWANCE TO CONFORM TO 415 MODIFICATION.—The Secretary of the Treasury shall modify the regulations regarding the exclusion allowance under section 403(b)(2) of the Internal Revenue Code of 1986 to render void the requirement that contributions to a defined benefit pension plan be treated as previously excluded amounts for purposes of the exclusion allowance. For taxable years beginning after December 31, 2000, such regulations shall be applied as if such requirement were void.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking ''33⅓ percent'' and inserting ''100 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 303. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) IN GENERAL.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (12), a plan''; and

(2) by adding at the end the following:

''(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	**The nonforfeitable percentage is:**
2	20
3	40
4	60
5	80
6	100.''.

(b) AMENDMENT OF ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (4), a plan'', and

(2) by adding at the end the following:

''(4) In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2001.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of the enactment); or

(ii) January 1, 2002; or

(B) January 1, 2006.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. 304. MINIMUM DISTRIBUTION RULES.

(a) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.—

(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) CONFORMING CHANGES.—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking ''FOR OTHER CASES'' in the heading; and

(ii) by striking ''the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)'' and inserting ''his entire interest has been distributed to him''.

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking ''clause (ii)'' and inserting ''clause (i)''.

(C) Clause (iii) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking ''clause (iii)(I)'' and inserting ''clause (ii)(I)'';

(ii) by striking ''clause (iii)(III)'' in subclause (I) and inserting ''clause (ii)(III)'';

(iii) by striking ''the date on which the employee would have attained age 70½,'' in subclause (I) and inserting ''April 1 of the calendar year following the calendar year in which the spouse attains 70½,''; and

(iv) by striking ''the distributions to such spouse begin,'' in subclause (II) and inserting ''his entire interest has been distributed to him,''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to years beginning after December 31, 2001.

(B) DISTRIBUTIONS TO SURVIVING SPOUSE.—

(i) IN GENERAL.—In the case of an employee described in clause (ii), distributions to the surviving spouse of the employee shall not be required to commence prior to the date on which such distributions would have been required to begin under section 401(a)(9)(B) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act).

(ii) CERTAIN EMPLOYEES.—An employee is described in this clause if such employee dies before—

(I) the date of the enactment of this Act, and

(II) the required beginning date (within the meaning of section 401(a)(9)(C) of the Internal Revenue Code of 1986) of the employee.

(b) REDUCTION IN EXCISE TAX.—

(1) IN GENERAL.—Subsection (a) of section 4974 is amended by striking ''50 percent'' and inserting ''10 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 305. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) IN GENERAL.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting ''or an eligible deferred compensation plan (within the meaning of section 457(b))'' after ''subsection (e))''; and

(2) in the heading, by striking ''GOVERNMENTAL AND CHURCH PLANS'' and inserting ''CERTAIN OTHER PLANS''.

(b) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—Paragraph (10) of section 414(p) is amended by striking ''and section 409(d)'' and inserting ''section 409(d), and section 457(d)''.

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

''(12) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (c) shall apply to transfers, distributions, and payments made after December 31, 2001.

(2) AMENDMENTS RELATING TO ASSIGNMENTS IN DIVORCE, ETC., PROCEEDINGS.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2002, except that in the case of a domestic relations order entered before such date, the plan administrator—

(A) shall treat such order as a qualified domestic relations order if such administrator is paying benefits pursuant to such order on such date, and

(B) may treat any other such order entered before such date as a qualified domestic relations order even if such order does not meet the requirements of such amendments.

SEC. 306. PROVISIONS RELATING TO HARDSHIP DISTRIBUTIONS.

(a) SAFE HARBOR RELIEF.—

(1) IN GENERAL.—The Secretary of the Treasury shall revise the regulations relating to hardship distributions under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(2) EFFECTIVE DATE.—The revised regulations under this subsection shall apply to years beginning after December 31, 2001.

(b) HARDSHIP DISTRIBUTIONS NOT TREATED AS ELIGIBLE ROLLOVER DISTRIBUTIONS.—

(1) MODIFICATION OF DEFINITION OF ELIGIBLE ROLLOVER.—Section 402(c)(4)(C) (relating to eligible rollover distribution) is amended by striking ''described in section 401(k)(2)(B)(i)(IV)'' and inserting ''under the terms of the plan''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to distributions made after December 31, 2002, unless a plan administrator elects to apply such amendment to distributions made after December 31, 2001.

SEC. 307. WAIVER OF TAX ON NONDEDUCTIBLE CONTRIBUTIONS FOR DOMESTIC OR SIMILAR WORKERS.

(a) IN GENERAL.—Section 4972(c)(6) (relating to exceptions to nondeductible contributions), as amended by section 502, is amended by striking ''or'' at the end of subparagraph (A), by striking the period and inserting '', or'' at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

''(C) so much of the contributions to a simple retirement account (within the meaning of section 408(p)) or a simple plan (within the meaning of section 401(k)(11)) which are not deductible when contributed solely because such contributions are not made in connection with a trade or business of the employer.''

(b) EXCLUSION OF CERTAIN CONTRIBUTIONS.—Section 4972(c)(6), as amended by subsection (a), is amended by adding at the end the following new sentence: ''Subparagraph (C) shall not apply to contributions made on behalf of the employer or a member of the employer's family (as defined in section 447(e)(1)).''.

(c) NO INFERENCE.—Nothing in the amendments made by this section shall be construed to infer the proper treatment of nondeductible contributions under the laws in effect before such amendments.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

TITLE IV—INCREASING PORTABILITY FOR PARTICIPANTS

SEC. 401. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) ROLLOVERS FROM AND TO SECTION 457 PLANS.—

(1) ROLLOVERS FROM SECTION 457 PLANS.—

(A) IN GENERAL.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

''(16) ROLLOVER AMOUNTS.—

''(A) GENERAL RULE.—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

''(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

''(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

''(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

''(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

''(C) REPORTING.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).''.

(B) DEFERRAL LIMIT DETERMINED WITHOUT REGARD TO ROLLOVER AMOUNTS.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting ''(other than rollover amounts)'' after ''taxable year''.

(C) DIRECT ROLLOVER.—Paragraph (1) of section 457(d) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by inserting after subparagraph (B) the following:

''(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31).

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.''.

(D) WITHHOLDING.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

''(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) which is maintained by an eligible employer described in section 457(e)(1)(A), or''.

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

''(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).''.

(iii) LIABILITY FOR WITHHOLDING.—Subparagraph (B) of section 3405(d)(2) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'', and by adding at the end the following:

''(iv) section 457(b) and which is maintained by an eligible employer described in section 457(e)(1)(A).''.

(2) ROLLOVERS TO SECTION 457 PLANS.—

(A) IN GENERAL.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by inserting after clause (iv) the following new clause:

''(v) an eligible deferred compensation plan described in section 457(b) which is maintained by an eligible employer described in section 457(e)(1)(A).''.

(B) SEPARATE ACCOUNTING.—Section 402(c) is amended by adding at the end the following new paragraph:

''(11) SEPARATE ACCOUNTING.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.''.

(C) 10 PERCENT ADDITIONAL TAX.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

''(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).''.

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403(b) PLANS.—

(1) ROLLOVERS FROM SECTION 403(b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking ''such distribution'' and all that follows and inserting ''such distribution to an eligible retirement plan described in section 402(c)(8)(B), and''.

(2) ROLLOVERS TO SECTION 403(b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by inserting after clause (v) the following new clause:

''(vi) an annuity contract described in section 403(b).''.

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible

for rollover treatment) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.''.

(d) SPOUSAL ROLLOVERS.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking ''; except that'' and all that follows up to the end period.

(e) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(2) Section 219(d)(2) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(3) Section 401(a)(31)(B) is amended by striking ''and 403(a)(4)'' and inserting '', 403(a)(4), 403(b)(8), and 457(e)(16)''.

(4) Subparagraph (A) of section 402(f)(2) is amended by striking ''or paragraph (4) of section 403(a)'' and inserting '', paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)''.

(5) Paragraph (1) of section 402(f) is amended by striking ''from an eligible retirement plan''.

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking ''another eligible retirement plan'' and inserting ''an eligible retirement plan''.

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

''(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.''.

(8) Section 408(a)(1) is amended by striking ''or 403(b)(8),'' and inserting ''403(b)(8), or 457(e)(16)''.

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(10) Section 415(c)(2) is amended by striking ''and 408(d)(3)'' and inserting ''408(d)(3), and 457(e)(16)''.

(11) Section 4973(b)(1)(A) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

SEC. 402. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding ''or'' at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

''(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).

For purposes of clause (ii), the term 'eligible retirement plan' means an eligible retirement plan described in clause (iii), (iv), (v), or (vi) of section 402(c)(8)(B).''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 403(b) is amended by striking ''section 408(d)(3)(A)(iii)'' and inserting ''section 408(d)(3)(A)(ii)''.

(2) Clause (i) of section 408(d)(3)(D) is amended by striking ''(i), (ii), or (iii)'' and inserting ''(i) or (ii)''.

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

''(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.''.

(c) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. 403. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) ROLLOVERS FROM EXEMPT TRUSTS.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: ''The preceding sentence shall not apply to such distribution to the extent—

''(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

''(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).''.

(b) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is amended by adding at the end the following: ''The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

''(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

''(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).''.

(c) RULES FOR APPLYING SECTION 72 TO IRAS.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

''(H) APPLICATION OF SECTION 72.—

''(i) IN GENERAL.—If—

''(I) a distribution is made from an individual retirement plan, and

''(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

then, notwithstanding paragraph (2), the rules of clause (ii) shall apply for purposes of applying section 72.

''(ii) APPLICABLE RULES.—In the case of a distribution described in clause (i)—

''(I) section 72 shall be applied separately to such distribution,

''(II) notwithstanding the pro rata allocation of income on, and investment in, the contract to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

''(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2001.

SEC. 404. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) EXEMPT TRUSTS.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

''(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

''(B) HARDSHIP EXCEPTION.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(b) IRAS.—Paragraph (3) of section 408(d) (relating to rollover contributions), as amended by section 403, is amended by adding after subparagraph (H) the following new subparagraph:

''(I) WAIVER OF 60-DAY REQUIREMENT.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 405. TREATMENT OF FORMS OF DISTRIBUTION.

(a) PLAN TRANSFERS.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

''(D) PLAN TRANSFERS.—

''(i) IN GENERAL.—A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

''(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary

under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan,

''(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I),

''(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan,

''(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election, and

''(V) the transferee plan allows the participant or beneficiary described in subclause (III) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

''(ii) SPECIAL RULE FOR MERGERS, ETC.—Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.''.

(2) AMENDMENT OF ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)) is amended by adding at the end the following:

''(4)(A) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

''(i) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

''(ii) the terms of both the transferor plan and the transferee plan authorize the transfer described in clause (i);

''(iii) the transfer described in clause (i) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

''(iv) the election described in clause (iii) was made after the participant or beneficiary received a notice describing the consequences of making the election; and

''(v) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

''(B) Subparagraph (A) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

(b) REGULATIONS.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: ''The Secretary shall by regulations provide that this subparagraph shall not apply to any plan amendment which reduces or eliminates benefits or subsidies which create significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.''.

(2) AMENDMENT OF ERISA.—The last sentence of section 204(g)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)(2)) is amended to read as follows: ''The Secretary of the Treasury shall by regulations provide that this paragraph shall not apply to any plan amendment which reduces or eliminates benefits or subsidies which create significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.''.

(3) SECRETARY DIRECTED.—Not later than December 31, 2002, the Secretary of the Treasury is directed to issue regulations under section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974, including the regulations required by the amendment made by this subsection. Such regulations shall apply to plan years beginning after December 31, 2002, or such earlier date as is specified by the Secretary of the Treasury.

SEC. 406. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

(1) SECTION 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking ''separation from service'' and inserting ''severance from employment''.

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

''(A) IN GENERAL.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).''.

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking ''An event'' in clause (i) and inserting ''A termination''; and

(II) by striking ''the event'' in clause (i) and inserting ''the termination'';

(ii) by striking subparagraph (C); and

(iii) by striking ''OR DISPOSITION OF ASSETS OR SUBSIDIARY'' in the heading.

(2) SECTION 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking ''separates from service'' and inserting ''has a severance from employment''.

(B) The heading for paragraph (11) of section 403(b) is amended by striking ''SEPARATION FROM SERVICE'' and inserting ''SEVERANCE FROM EMPLOYMENT''.

(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking ''is separated from service'' and inserting ''has a severance from employment''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 407. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

''(13) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(b) 457 PLANS.—Subsection (e) of section 457, as amended by section 401, is amended by adding after paragraph (16) the following new paragraph:

''(17) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2001.

SEC. 408. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) QUALIFIED PLANS.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

''(D) SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).''.

(2) AMENDMENT OF ERISA.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended by adding at the end the following:

''(4) A plan shall not fail to meet the requirements of this subsection if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986.''.

(b) ELIGIBLE DEFERRED COMPENSATION PLANS.—Clause (i) of section 457(e)(9)(A) is amended by striking ''such amount'' and inserting ''the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 409. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.

(a) MINIMUM DISTRIBUTION REQUIREMENTS.—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:

''(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).''.

(b) INCLUSION IN GROSS INCOME.—

(1) YEAR OF INCLUSION.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

''(a) YEAR OF INCLUSION IN GROSS INCOME.—

''(1) IN GENERAL.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

''(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

''(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

''(2) SPECIAL RULE FOR ROLLOVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.''.

(2) CONFORMING AMENDMENTS.—

(A) So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

''(9) BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(B)—''.

(B) Section 457(d) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR GOVERNMENT PLAN.—An eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A).''.

(c) MODIFICATION OF TRANSITION RULES FOR EXISTING 457 PLANS.—

(1) IN GENERAL.—Section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking ''or'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', or'' and by inserting after clause (ii) the following new clause:

''(iii) are deferred pursuant to an agreement with an individual covered by an agreement described in clause (ii), to the extent the annual amount under such agreement with the individual does not exceed—

''(I) the amount described in clause (ii)(II), multiplied by

''(II) the cumulative increase in the Consumer Price Index (as published by the Bureau of Labor Statistics of the Department of Labor).''.

(2) CONFORMING AMENDMENT.—The fourth sentence of section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking ''This subparagraph'' and inserting ''Clauses (i) and (ii) of this subparagraph''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act with respect to increases in the Consumer Price Index after September 30, 1993.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to distributions after December 31, 2001.

TITLE V—STRENGTHENING PENSION SECURITY AND ENFORCEMENT

Subtitle A—General Provisions

SEC. 501. REPEAL OF 155 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a) AMENDMENTS TO INTERNAL REVENUE CODE.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking ''the applicable percentage'' in subparagraph (A)(i)(I) and inserting ''in the case of plan years beginning before January 1, 2005, the applicable percentage''; and

(2) by amending subparagraph (F) to read as follows:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2002	160
2003	165
2004	170.''.

(b) AMENDMENT OF ERISA.—Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)) is amended—

(1) by striking ''the applicable percentage'' in subparagraph (A)(i)(I) and inserting ''in the case of plan years beginning before January 1, 2005, the applicable percentage'', and

(2) by amending subparagraph (F) to read as follows:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2002	160
2003	165
2004	170.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 502. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

''(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

''(i) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

''(ii) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

''(iii) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as one plan, but only employees of such member or employer shall be taken into account.

''(iv) PLANS MAINTAINED BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.''.

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

''(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to one or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

''(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

''(B) the sum of—

''(i) the amount of contributions described in section 401(m)(4)(A), plus

''(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 503. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.

(a) IN GENERAL.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

''(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 504. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—

(1) IN GENERAL.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

''(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.''.

(2) CONFORMING AMENDMENT.—Section 415(b)(7) (relating to benefits under certain collectively bargained plans) is amended by inserting ''(other than a multiemployer plan)'' after ''defined benefit plan'' in the matter preceding subparagraph (A).

(b) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

''(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying subsection (b)(1)(B) to such plan or any other such plan.''.

(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking ''The Secretary'' and inserting ''Except as provided in subsection (f)(3), the Secretary''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 505. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(K) PLANS.

(a) IN GENERAL.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

''(b) EFFECTIVE DATE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to elective deferrals for plan years beginning after December 31, 1998.

''(2) NONAPPLICATION TO PREVIOUSLY ACQUIRED PROPERTY.—The amendments made by this section shall not apply to any elective deferral which is invested in assets consisting of qualifying employer securities, qualifying employer real property, or both, if such assets were acquired before January 1, 1999.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.

SEC. 506. PERIODIC PENSION BENEFITS STATEMENTS.

(a) IN GENERAL.—Section 105(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025 (a)) is amended to read as follows:

''(a)(1) Except as provided in paragraph (2)—

''(A) the administrator of an individual account plan shall furnish a pension benefit statement—

''(i) to a plan participant at least once annually, and

''(ii) to a plan beneficiary upon written request, and

''(B) the administrator of a defined benefit plan shall furnish a pension benefit statement—

''(i) at least once every 3 years to each participant with a nonforfeitable accrued benefit who is employed by the employer maintaining the plan at the time the statement is furnished to participants, and

''(ii) to a plan participant or plan beneficiary of the plan upon written request.

''(2) Notwithstanding paragraph (1), the administrator of a plan to which more than 1 unaffiliated employer is required to contribute shall only be required to furnish a pension benefit statement under paragraph (1) upon the written request of a participant or beneficiary of the plan.

''(3) A pension benefit statement under paragraph (1)—

''(A) shall indicate, on the basis of the latest available information—

''(i) the total benefits accrued, and

''(ii) the nonforfeitable pension benefits, if any, which have accrued, or the earliest date on which benefits will become nonforfeitable,

''(B) shall be written in a manner calculated to be understood by the average plan participant, and

''(C) may be provided in written, electronic, telephonic, or other appropriate form.

''(4)(A) In the case of a defined benefit plan, the requirements of paragraph (1)(B)(i) shall be treated as met with respect to a participant if the administrator provides the participant at least once each year with notice of the availability of the pension benefit statement and the ways in which the participant may obtain such statement. Such notice shall be provided in written, electronic, telephonic, or other appropriate form, and may be included with other communications to the participant if done in a manner reasonably designed to attract the attention of the participant.

''(B) The Secretary may provide that years in which no employee or former employee benefits (within the meaning of section 410(b) of the Internal Revenue Code of 1986) under the plan need not be taken into account in determining the 3-year period under paragraph (1)(B)(i).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 105 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025) is amended by striking subsection (d).

(2) Section 105(b) of such Act (29 U.S.C. 1025(b)) is amended to read as follows:

''(b) In no case shall a participant or beneficiary of a plan be entitled to more than one statement described in subsection (a)(1)(A) or (a)(1)(B)(ii), whichever is applicable, in any 12-month period.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 507. PROHIBITED ALLOCATIONS OF STOCK IN S CORPORATION ESOP.

(a) IN GENERAL.—Section 409 (relating to qualifications for tax credit employee stock ownership plans) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

''(p) PROHIBITED ALLOCATIONS OF SECURITIES IN AN S CORPORATION.—

''(1) IN GENERAL.—An employee stock ownership plan holding employer securities consisting of stock in an S corporation shall provide that no portion of the assets of the plan attributable to (or allocable in lieu of) such employer securities may, during a nonallocation year, accrue (or be allocated directly or indirectly under any plan of the employer meeting the requirements of section 401(a)) for the benefit of any disqualified person.

''(2) FAILURE TO MEET REQUIREMENTS.—

''(A) IN GENERAL.—If a plan fails to meet the requirements of paragraph (1), the plan shall be treated as having distributed to any disqualified person the amount allocated to the account of such person in violation of paragraph (1) at the time of such allocation.

''(B) CROSS REFERENCE.—

''For excise tax relating to violations of paragraph (1) and ownership of synthetic equity, see section 4979A.

''(3) NONALLOCATION YEAR.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'nonallocation year' means any plan year of an employee stock ownership plan if, at any time during such plan year—

''(i) such plan holds employer securities consisting of stock in an S corporation, and

''(ii) disqualified persons own at least 50 percent of the number of shares of stock in the S corporation.

''(B) ATTRIBUTION RULES.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The rules of section 318(a) shall apply for purposes of determining ownership, except that—

''(I) in applying paragraph (1) thereof, the members of an individual's family shall include members of the family described in paragraph (4)(D), and

''(II) paragraph (4) thereof shall not apply.

''(ii) DEEMED-OWNED SHARES.—Notwithstanding the employee trust exception in section 318(a)(2)(B)(i), an individual shall be treated as owning deemed-owned shares of the individual.

Solely for purposes of applying paragraph (5), this subparagraph shall be applied after the attribution rules of paragraph (5) have been applied.

''(4) DISQUALIFIED PERSON.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'disqualified person' means any person if—

''(i) the aggregate number of deemed-owned shares of such person and the members of such person's family is at least 20 percent of the number of deemed-owned shares of stock in the S corporation, or

''(ii) in the case of a person not described in clause (i), the number of deemed-owned shares of such person is at least 10 percent of the number of deemed-owned shares of stock in such corporation.

''(B) TREATMENT OF FAMILY MEMBERS.—In the case of a disqualified person described in subparagraph (A)(i), any member of such person's family with deemed-owned shares shall be treated as a disqualified person if not otherwise treated as a disqualified person under subparagraph (A).

''(C) DEEMED-OWNED SHARES.—

''(i) IN GENERAL.—The term 'deemed-owned shares' means, with respect to any person—

''(I) the stock in the S corporation constituting employer securities of an employee stock ownership plan which is allocated to such person under the plan, and

''(II) such person's share of the stock in such corporation which is held by such plan but which is not allocated under the plan to participants.

''(ii) PERSON'S SHARE OF UNALLOCATED STOCK.—For purposes of clause (i)(II), a person's share of unallocated S corporation stock held by such plan is the amount of the unallocated stock which would be allocated to such person if the unallocated stock were allocated to all participants in the same proportions as the most recent stock allocation under the plan.

''(D) MEMBER OF FAMILY.—For purposes of this paragraph, the term 'member of the family' means, with respect to any individual—

''(i) the spouse of the individual,

''(ii) an ancestor or lineal descendant of the individual or the individual's spouse,

''(iii) a brother or sister of the individual or the individual's spouse and any lineal descendant of the brother or sister, and

''(iv) the spouse of any individual described in clause (ii) or (iii).

A spouse of an individual who is legally separated from such individual under a decree of divorce or separate maintenance shall not be treated as such individual's spouse for purposes of this subparagraph.

''(5) TREATMENT OF SYNTHETIC EQUITY.—For purposes of paragraphs (3) and (4), in the case of a person who owns synthetic equity in the S corporation, except to the extent provided in regulations, the shares of stock in such corporation on which such synthetic equity is based shall be treated as outstanding stock in such corporation and deemed-owned shares of such person if such treatment of synthetic equity of 1 or more such persons results in—

''(A) the treatment of any person as a disqualified person, or

''(B) the treatment of any year as a nonallocation year.

For purposes of this paragraph, synthetic equity shall be treated as owned by a person in the same manner as stock is treated as owned by a person under the rules of paragraphs (2) and (3) of section 318(a). If, without regard to this paragraph, a person is treated as a disqualified person or a year is treated as a nonallocation year, this paragraph shall not be construed to result in the person or year not being so treated.

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) EMPLOYEE STOCK OWNERSHIP PLAN.—The term 'employee stock ownership plan' has the meaning given such term by section 4975(e)(7).

''(B) EMPLOYER SECURITIES.—The term 'employer security' has the meaning given such term by section 409(l).

''(C) SYNTHETIC EQUITY.—The term 'synthetic equity' means any stock option, warrant, restricted stock, deferred issuance stock right, or similar interest or right that

gives the holder the right to acquire or receive stock of the S corporation in the future. Except to the extent provided in regulations, synthetic equity also includes a stock appreciation right, phantom stock unit, or similar right to a future cash payment based on the value of such stock or appreciation in such value.

''(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.''.

(b) COORDINATION WITH SECTION 4975(e)(7).—The last sentence of section 4975(e)(7) (defining employee stock ownership plan) is amended by inserting '', section 409(p),'' after ''409(n)''.

(c) EXCISE TAX.—

(1) APPLICATION OF TAX.—Subsection (a) of section 4979A (relating to tax on certain prohibited allocations of employer securities) is amended—

(A) by striking ''or'' at the end of paragraph (1), and

(B) by striking all that follows paragraph (2) and inserting the following:

''(3) there is any allocation of employer securities which violates the provisions of section 409(p), or a nonallocation year described in subsection (e)(2)(C) with respect to an employee stock ownership plan, or

''(4) any synthetic equity is owned by a disqualified person in any nonallocation year,

there is hereby imposed a tax on such allocation or ownership equal to 50 percent of the amount involved.''.

(2) LIABILITY.—Section 4979A(c) (defining liability for tax) is amended to read as follows:

''(c) LIABILITY FOR TAX.—The tax imposed by this section shall be paid—

''(1) in the case of an allocation referred to in paragraph (1) or (2) of subsection (a), by—

''(A) the employer sponsoring such plan, or

''(B) the eligible worker-owned cooperative,

which made the written statement described in section 664(g)(1)(E) or in section 1042(b)(3)(B) (as the case may be), and

''(2) in the case of an allocation or ownership referred to in paragraph (3) or (4) of subsection (a), by the S corporation the stock in which was so allocated or owned.''.

(3) DEFINITIONS.—Section 4979A(e) (relating to definitions) is amended to read as follows:

''(e) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) DEFINITIONS.—Except as provided in paragraph (2), terms used in this section have the same respective meanings as when used in sections 409 and 4978.

''(2) SPECIAL RULES RELATING TO TAX IMPOSED BY REASON OF PARAGRAPH (3) OR (4) OF SUBSECTION (a).—

''(A) PROHIBITED ALLOCATIONS.—The amount involved with respect to any tax imposed by reason of subsection (a)(3) is the amount allocated to the account of any person in violation of section 409(p)(1).

''(B) SYNTHETIC EQUITY.—The amount involved with respect to any tax imposed by reason of subsection (a)(4) is the value of the shares on which the synthetic equity is based.

''(C) SPECIAL RULE DURING FIRST NONALLOCATION YEAR.—For purposes of subparagraph (A), the amount involved for the first nonallocation year of any employee stock ownership plan shall be determined by taking into account the total value of all the deemed-owned shares of all disqualified persons with respect to such plan.

''(D) STATUTE OF LIMITATIONS.—The statutory period for the assessment of any tax imposed by this section by reason of paragraph (3) or (4) of subsection (a) shall not expire before the date which is 3 years from the later of—

''(i) the allocation or ownership referred to in such paragraph giving rise to such tax, or

''(ii) the date on which the Secretary is notified of such allocation or ownership.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan years beginning after December 31, 2002.

(2) EXCEPTION FOR CERTAIN PLANS.—In the case of any—

(A) employee stock ownership plan established after July 11, 2000, or

(B) employee stock ownership plan established on or before such date if employer securities held by the plan consist of stock in a corporation with respect to which an election under section 1362(a) of the Internal Revenue Code of 1986 is not in effect on such date,

the amendments made by this section shall apply to plan years ending after July 11, 2000.

SEC. 508. AUTOMATIC ROLLOVERS OF CERTAIN MANDATORY DISTRIBUTIONS.

(a) DIRECT TRANSFERS OF MANDATORY DISTRIBUTIONS.—

(1) IN GENERAL.—Section 401(a)(31) (relating to optional direct transfer of eligible rollover distributions), as amended by section 403, is amended by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively, and by inserting after subparagraph (A) the following new subparagraph:

''(B) CERTAIN MANDATORY DISTRIBUTIONS.—

''(i) IN GENERAL.—In case of a trust which is part of an eligible plan, such trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that if—

''(I) a distribution described in clause (ii) in excess of $1,000 is made, and

''(II) the distributee does not make an election under subparagraph (A) and does not elect to receive the distribution directly,

the plan administrator shall make such transfer to an individual retirement account or annuity of a designated trustee or issuer and shall notify the distributee in writing (either separately or as part of the notice under section 402(f)) that the distribution may be transferred without cost or penalty to another individual account or annuity.

''(ii) ELIGIBLE PLAN.—For purposes of clause (i), the term 'eligible plan' means a plan which provides that any nonforfeitable accrued benefit for which the present value (as determined under section 411(a)(11)) does not exceed $5,000 shall be immediately distributed to the participant.''.

(2) CONFORMING AMENDMENTS.—

(A) The heading of section 401(a)(31) is amended by striking ''OPTIONAL DIRECT'' and inserting ''DIRECT''.

(B) Section 401(a)(31)(C), as redesignated by paragraph (1), is amended by striking ''Subparagraph (A)'' and inserting ''Subparagraphs (A) and (B)''.

(b) NOTICE REQUIREMENT.—Section 402(f)(1) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D), and by adding at the end the following new subparagraph:

''(E) if applicable, of the provision requiring a direct trustee-to-trustee transfer of a distribution under section 401(a)(31)(B) unless the recipient elects otherwise.''.

(c) FIDUCIARY RULES.—Section 404(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(c)) is amended by adding at the end the following new paragraph:

''(3) In the case of a pension plan which makes a transfer to an individual retirement account or annuity of a designated trustee or issuer under section 401(a)(31)(B) of the Internal Revenue Code of 1986, the participant or beneficiary shall, for purposes of paragraph (1), be treated as exercising control over the assets in the account or annuity upon the earlier of—

''(A) a rollover of all or a portion of the amount to another individual retirement account or annuity; or

''(B) one year after the transfer is made.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2001.

Subtitle B—Treatment of Plan Amendments Reducing Future Benefit Accruals

SEC. 521. NOTICE REQUIRED FOR PENSION PLAN AMENDMENTS HAVING THE EFFECT OF SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.

(a) EXCISE TAX.—

(1) IN GENERAL.—Chapter 43 (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

''SEC. 4980F. FAILURE TO PROVIDE NOTICE OF PENSION PLAN AMENDMENTS REDUCING BENEFIT ACCRUALS.

''(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of an applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

''(b) AMOUNT OF TAX.—

''(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

''(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the notice to which the failure relates is provided or the failure is otherwise corrected.

''(c) LIMITATIONS ON AMOUNT OF TAX.—

''(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED AND REASONABLE DILIGENCE EXERCISED.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that any person subject to liability for the tax under subsection (d) did not know that the failure existed and exercised reasonable diligence to meet the requirements of subsection (e).

''(2) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) on any failure if—

''(A) any person subject to liability for the tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), and

''(B) such person provides the notice described in subsection (e) during the 30-day period beginning on the first date such person knew, or exercising reasonable diligence would have known, that such failure existed.

''(3) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—

''(A) IN GENERAL.—If the person subject to liability for tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as 1 plan.

''(B) TAXABLE YEARS IN THE CASE OF CERTAIN CONTROLLED GROUPS.—For purposes of this paragraph, if all persons who are treated as a single employer for purposes of this section do not have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

''(4) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive or otherwise inequitable relative to the failure involved.

''(d) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

''(1) In the case of a plan other than a multiemployer plan, the employer.

''(2) In the case of a multiemployer plan, the plan.

''(e) NOTICE REQUIREMENTS FOR PLAN AMENDMENTS SIGNIFICANTLY REDUCING BENEFIT ACCRUALS.—

''(1) IN GENERAL.—If the sponsor of an applicable pension plan adopts an amendment which has the effect of significantly reducing the rate of future benefit accrual of 1 or more participants, the plan administrator shall, not later than the 45th day before the effective date of the amendment, provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

''(A) sets forth a summary of the plan amendment and the effective date of the amendment,

''(B) includes a statement that the plan amendment is expected to significantly reduce the rate of future benefit accrual,

''(C) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual,

''(D) sets forth examples illustrating how the plan will change benefits for such classes of employees,

''(E) if paragraph (2) applies to the plan amendment, includes a notice that the plan administrator will provide a benefit estimation tool kit described in paragraph (2)(B) to each applicable individual no later than the date required under paragraph (2)(A), and

''(F) includes a notice of each applicable individual's right under Federal law to receive, and of the procedures for requesting, an annual benefit statement.

''(2) REQUIREMENT TO PROVIDE BENEFIT ESTIMATION TOOL KIT.—

''(A) IN GENERAL.—If a plan amendment results in the significant restructuring of the plan benefit formula (as determined under regulations prescribed by the Secretary), the plan administrator shall, not later than the 15th day before the effective date of the amendment, provide a benefit estimation tool kit described in subparagraph (B) to each applicable individual. If such plan amendment occurs within 12 months of an event described in section 410(b)(6)(C), the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before the date which is 12 months after the date on which notice under paragraph (1) is given to such applicable individuals.

''(B) BENEFIT ESTIMATION TOOL KIT.—The benefit estimation tool kit described in this subparagraph shall include the following information:

''(i) Sufficient information to enable an applicable individual to estimate the individual's projected benefits under the terms of the plan in effect both before and after the adoption of the amendment.

''(ii) The formulas and actuarial assumptions necessary to estimate under both such plan terms a single life annuity at appropriate ages, and, when available, a lump sum distribution.

''(iii) The interest rate used to compute a lump sum distribution and information as to whether the value of any early retirement benefit or retirement-type subsidy (within the meaning of section 411(d)(6)(B)(i)) is included in the lump sum distribution.

''(3) NOTICE TO DESIGNEE.—Any notice under paragraph (1) or (2) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

''(4) FORM OF EXPLANATION.—The information required to be provided under this subsection shall be provided in a manner calculated to be reasonably understood by the average plan participant.

''(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) APPLICABLE INDIVIDUAL.—

''(A) IN GENERAL.—The term 'applicable individual' means, with respect to any plan amendment—

''(i) each participant in the plan, and

''(ii) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)),

whose rate of future benefit accrual under the plan may reasonably be expected to be significantly reduced by such plan amendment.

''(B) EXCEPTION FOR PARTICIPANTS WITH LESS THAN 1 YEAR OF PARTICIPATION.—Such term shall not include a participant who has less than 1 year of participation (within the meaning of section 411(b)(4)) under the plan as of the effective date of the plan amendment.

''(2) APPLICABLE PENSION PLAN.—The term 'applicable pension plan' means—

''(A) a defined benefit plan, or

''(B) an individual account plan which is subject to the funding standards of section 412.

Such term shall not include a governmental plan (within the meaning of section 414(d)), a church plan (within the meaning of section 414(e)) with respect to which an election under section 410(d) has not been made, or any other plan to which section 204(h) of the Employee Retirement Income Security Act of 1974 does not apply.

''(3) EARLY RETIREMENT.—A plan amendment which eliminates or significantly reduces any early retirement benefit or retirement-type subsidy (within the meaning of section 411(d)(6)(B)(i)) shall be treated as having the effect of significantly reducing the rate of future benefit accrual.

''(g) REGULATIONS.—The Secretary shall, not later than 1 year after the date of the enactment of this section, issue—

''(1) the regulations described in subsection (e)(2)(A) and section 204(h)(2)(A) of the Employee Retirement Income Security Act of 1974, and

''(2) guidance for both of the examples described in subsection (e)(1)(D) and section 204(h)(1)(D) of the Employee Retirement Income Security Act of 1974 and the benefit estimation tool kit described in subsection (e)(2)(B) and section 204(h)(2)(B) of the Employee Retirement Income Security Act of 1974.

''(h) NEW TECHNOLOGIES.—The Secretary may by regulation allow any notice under paragraph (1) or (2) of subsection (e) to be provided by using new technologies. Such regulations shall ensure that at least one option for providing such notice is not dependent on new technologies.''

(2) CONFORMING AMENDMENT.—The table of sections for chapter 43 is amended by adding at the end the following new item:

''Sec. 4980F. Failure to provide notice of pension plan amendments reducing benefit accruals.''

(b) AMENDMENT OF ERISA.—Section 204(h) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(h)) is amended to read as follows:

''(h)(1) If an applicable pension plan is amended so as to provide a significant reduction in the rate of future benefit accrual of 1 or more participants, the plan administrator shall, not later than the 45th day before the effective date of the amendment, provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

''(A) sets forth a summary of the plan amendment and the effective date of the amendment,

''(B) includes a statement that the plan amendment is expected to significantly reduce the rate of future benefit accrual,

''(C) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual,

''(D) sets forth examples illustrating how the plan will change benefits for such classes of employees,

''(E) if paragraph (2) applies to the plan amendment, includes a notice that the plan administrator will provide a benefit estimation tool kit described in paragraph (2)(B) to each applicable individual no later than the date required under paragraph (2)(A), and

''(F) includes a notice of each applicable individual's right under Federal law to receive, and of the procedures for requesting, an annual benefit statement.

''(2)(A) If a plan amendment results in the significant restructuring of the plan benefit formula (as determined under regulations prescribed by the Secretary of the Treasury), the plan administrator shall, not later than the 15th day before the effective date of the amendment, provide a benefit estimation tool kit described in subparagraph (B) to each applicable individual. If such plan amendment occurs within 12 months of an event described in section 410(b)(6)(C) of the Internal Revenue Code of 1986, the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before the date which is 12 months after the date on which notice under paragraph (1) is given to such applicable individuals.

''(B) The benefit estimation tool kit described in this subparagraph shall include the following information:

''(i) Sufficient information to enable an applicable individual to estimate the individual's projected benefits under the terms of the plan in effect both before and after the adoption of the amendment.

''(ii) The formulas and actuarial assumptions necessary to estimate under both such plan terms a single life annuity at appropriate ages, and, when available, a lump sum distribution.

''(iii) The interest rate used to compute a lump sum distribution and information as to whether the value of any early retirement benefit or retirement-type subsidy (within the meaning of subsection (g)(2)(A)) is included in the lump sum distribution.

''(3) Any notice under paragraph (1) or (2) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

''(4) The information required to be provided under this subsection shall be provided in a manner calculated to be reasonably understood by the average participant.

''(5)(A) In the case of any failure to exercise due diligence in meeting any requirement of this subsection with respect to any plan amendment, the provisions of the applicable pension plan shall be applied as if such plan amendment entitled all applicable individuals to the greater of—

''(i) the benefits to which they would have been entitled without regard to such amendment, or

''(ii) the benefits under the plan with regard to such amendment.

''(B) For purposes of subparagraph (A), there is a failure to exercise due diligence in meeting the requirements of this subsection if such failure is within the control of the plan sponsor and is—

''(i) an intentional failure (including any failure to promptly provide the required notice or information after the plan administrator discovers an unintentional failure to meet the requirements of this subsection),

''(ii) a failure to provide most of the individuals with most of the information they are entitled to receive under this subsection, or

''(iii) a failure to exercise due diligence which is determined under regulations prescribed by the Secretary of the Treasury.

''(C) For excise tax on failure to meet requirements, see section 4980F of the Internal Revenue Code of 1986.

''(5)(A) For purposes of this subsection, the term 'applicable individual' means, with respect to any plan amendment—

''(i) each participant in the plan, and

''(ii) any beneficiary who is an alternate payee (within the meaning of section 206(d)(3)(K)) under an applicable qualified domestic relations order (within the meaning of section 206(d)(3)(B)),

whose rate of future benefit accrual under the plan may reasonably be expected to be significantly reduced by such plan amendment.

''(B) Such term shall not include a participant who has less than 1 year of participation (within the meaning of subsection (b)(4)) under the plan as of the effective date of the plan amendment.

''(6) For purposes of this subsection, the term 'applicable pension plan' means—

''(A) a defined benefit plan, or

''(B) an individual account plan which is subject to the funding standards of section 302.

''(7) For purposes of this subsection, a plan amendment which eliminates or significantly reduces any early retirement benefit or retirement-type subsidy (within the meaning of section 204(g)(2)(A)) shall be treated as having the effect of significantly reducing the rate of future benefit accrual.

''(8) The Secretary of the Treasury may by regulation allow any notice under this subsection to be provided by using new technologies. Such regulation shall ensure that at least one option for providing such notice is not dependent on new technologies.''

(c) REGULATIONS RELATING TO EARLY RETIREMENT SUBSIDIES.—The Secretary of the Treasury or the Secretary's delegate shall, not later than 1 year after the date of the enactment of this Act, issue regulations relating to early retirement benefits or retirement-type subsidies described in section 411(d)(6)(B)(i) of the Internal Revenue Code of 1986 and section 204(g)(2)(A) of the Employee Retirement Income Security Act of 1974.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under section 4980F(e)(2) of the Internal Revenue Code of 1986 and section 204(h)(2) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(3) SPECIAL NOTICE RULES.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

(d) STUDY.—The Secretary of the Treasury shall prepare a report on the effects of significant restructurings of plan benefit formulas of traditional defined benefit plans. Such study shall examine the effects of such restructurings on longer service participants, including the incidence and effects of ''wear away'' provisions under which participants earn no additional benefits for a period of time after restructuring. As soon as practicable, but not later than one year after the date of enactment of this Act, the Secretary shall submit such report, together with recommendations thereon, to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor, and Pensions of the Senate.

TITLE VI—REDUCING REGULATORY BURDENS

SEC. 601. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) IN GENERAL.—Paragraph (9) of section 412(c) (relating to annual valuation) is amended to read as follows:

''(9) ANNUAL VALUATION.—

''(A) IN GENERAL.—For purposes of this section, a determination of experience gains and losses and a valuation of the plan's liability shall be made not less frequently than once every year, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary.

''(B) VALUATION DATE.—

''(i) CURRENT YEAR.—Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

''(ii) ELECTION TO USE PRIOR YEAR VALUATION.—The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

''(I) an election is in effect under this clause with respect to the plan, and

''(II) as of such date, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).

''(iii) ADJUSTMENTS.—Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) ELECTION.—An election under clause (ii), once made, shall be irrevocable without the consent of the Secretary.''.

(b) AMENDMENT OF ERISA.—Paragraph (9) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting ''(A)'' after ''(9)'', and

(2) by adding at the end the following:

''(B)(i) Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

''(ii) The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

''(I) an election is in effect under this clause with respect to the plan, and

''(II) as of such date, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).

''(iii) Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) An election under clause (ii), once made, shall be irrevocable without the consent of the Secretary of the Treasury.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 602. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking ''or'' at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

''(iii) is, at the election of such participants or their beneficiaries—

''(I) payable as provided in clause (i) or (ii), or

''(II) paid to the plan and reinvested in qualifying employer securities, or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 603. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to plan years beginning after December 31, 2001.

SEC. 604. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) of such Code pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401(k) or (m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan; and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such plan under such section 401(k) or (m).

(b) EFFECTIVE DATE.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

SEC. 605. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) IN GENERAL.—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking ''or'' at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting '', or'', and by adding at the end the following new paragraph:

''(7) qualified retirement planning services.''.

(b) QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

''(m) QUALIFIED RETIREMENT PLANNING SERVICES.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified retirement planning services' means any retirement planning advice or information provided to an employee and his spouse by an employer maintaining a qualified employer plan.

''(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally provided education and information

regarding the employer's qualified employer plan.

''(3) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term 'qualified employer plan' means a plan, contract, pension, or account described in section 219(g)(5).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 606. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $250,000 or less as of the close of the plan year need not file a return for that year.

(2) ONE-PARTICIPANT RETIREMENT PLAN DEFINED.—For purposes of this subsection, the term ''one-participant retirement plan'' means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated); or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation);

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business;

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses);

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control; and

(E) does not cover a business that leases employees.

(3) OTHER DEFINITIONS.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2002.

SEC. 607. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program;

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures;

(3) extending the duration of the self-correction period under the Administrative Policy Regarding Self-Correction for significant compliance failures;

(4) expanding the availability to correct insignificant compliance failures under the Administrative Policy Regarding Self-Correction during audit; and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

SEC. 608. REPEAL OF THE MULTIPLE USE TEST.

(a) IN GENERAL.—Paragraph (9) of section 401(m) is amended to read as follows:

''(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 609. FLEXIBILITY IN NONDISCRIMINATION, COVERAGE, AND LINE OF BUSINESS RULES.

(a) NONDISCRIMINATION.—

(1) IN GENERAL.—The Secretary of the Treasury shall, by regulation, provide that a plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, but only if—

(A) the plan satisfies conditions prescribed by the Secretary to appropriately limit the availability of such test; and

(B) the plan is submitted to the Secretary for a determination of whether it satisfies such test.

Subparagraph (B) shall only apply to the extent provided by the Secretary.

(2) EFFECTIVE DATES.—

(A) REGULATIONS.—The regulation required by paragraph (1) shall apply to years beginning after December 31, 2001.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under paragraph (1)(A) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(b) COVERAGE TEST.—

(1) IN GENERAL.—Section 410(b)(1) (relating to minimum coverage requirements) is amended by adding at the end the following:

''(D) In the case that the plan fails to meet the requirements of subparagraphs (A), (B) and (C), the plan—

''(i) satisfies subparagraph (B), as in effect immediately before the enactment of the Tax Reform Act of 1986,

''(ii) is submitted to the Secretary for a determination of whether it satisfies the requirement described in clause (i), and

''(iii) satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of this subparagraph.

Clause (ii) shall apply only to the extent provided by the Secretary.''.

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to years beginning after December 31, 2001.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(b)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(c) LINE OF BUSINESS RULES.—The Secretary of the Treasury shall, on or before December 31, 2001, modify the existing regulations issued under section 414(r) of the Internal Revenue Code of 1986 in order to expand (to the extent that the Secretary determines appropriate) the ability of a pension plan to demonstrate compliance with the line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

SEC. 610. EXTENSION TO ALL GOVERNMENTAL PLANS OF MORATORIUM ON APPLICATION OF CERTAIN NONDISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) IN GENERAL.—

(1) Subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) are each amended by striking ''section 414(d))'' and all that follows and inserting ''section 414(d)).''.

(2) Subparagraph (G) of section 401(k)(3) and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by striking ''maintained by a State or local government or political subdivision thereof (or agency or instrumentality thereof)''.

(b) CONFORMING AMENDMENTS.—

(1) The heading for subparagraph (G) of section 401(a)(5) is amended to read as follows: ''GOVERNMENTAL PLANS''.

(2) The heading for subparagraph (H) of section 401(a)(26) is amended to read as follows: ''EXCEPTION FOR GOVERNMENTAL PLANS''.

(3) Subparagraph (G) of section 401(k)(3) is amended by inserting ''GOVERNMENTAL PLANS.—'' after ''(G)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 611. NOTICE AND CONSENT PERIOD REGARDING DISTRIBUTIONS.

(a) EXPANSION OF PERIOD.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—

(A) IN GENERAL.—Subparagraph (A) of section 417(a)(6) is amended by striking ''90-day'' and inserting ''180-day''.

(B) MODIFICATION OF REGULATIONS.—The Secretary of the Treasury shall modify the regulations under sections 402(f), 411(a)(11), and 417 of the Internal Revenue Code of 1986 to substitute ''180 days'' for ''90 days'' each place it appears in Treasury Regulations sections 1.402(f)–1, 1.411(a)–11(c), and 1.417(e)–1(b).

(2) AMENDMENT OF ERISA.—Section 205(c)(7)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(7)(A)) is amended by striking ''90-day'' and inserting ''180-day''.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1)(A) and (2) and the modifications required by paragraph (1)(B) shall apply to years beginning after December 31, 2001.

(b) CONSENT REGULATION INAPPLICABLE TO CERTAIN DISTRIBUTIONS.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the regulations under section 411(a)(11) of the Internal Revenue Code of 1986 to provide that the description of a participant's right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

(2) EFFECTIVE DATE.—The modifications required by paragraph (1) shall apply to years beginning after December 31, 2001.

(c) DISCLOSURE OF OPTIONAL FORMS OF BENEFITS.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—Section 417(a)(3) (relating to plan to provide written explanation) is amended by adding at the end the following:

''(C) EXPLANATION OF OPTIONAL FORMS OF BENEFITS.—

''(i) IN GENERAL.—If—

''(I) a plan provides optional forms of benefits, and

''(II) the present values of such forms of benefits are not actuarially equivalent as of the annuity starting date,

then each written explanation required to be provided under subparagraph (A) shall include the information described in clause (ii).

''(ii) INFORMATION.—A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow the participant to understand the differences in the present values of the optional forms of benefits provided by

the plan and the effect the participant's election as to the form of benefit will have on the value of the benefits available under the plan. Any such information shall be provided in a manner calculated to be reasonably understood by the average plan participant.''

(2) AMENDMENT OF ERISA.—Section 205(c)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(3)) is amended by adding at the end the following:

''(C)(i) If—

''(I) a plan provides optional forms of benefits, and

''(II) the present values of such forms of benefits are not actuarially equivalent as of the annuity starting date,

then such plan shall include the information described in clause (ii) with each written explanation required to be provided under subparagraph (A).

''(ii) A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary of the Treasury) to allow the participant to understand the differences in the present values of the optional forms of benefits provided by the plan and the effect the participant's election as to the form of benefit will have on the value of the benefits available under the plan. Any such information shall be provided in a manner calculated to be reasonably understood by the average plan participant.''

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 612. ANNUAL REPORT DISSEMINATION.

(a) IN GENERAL.—Section 104(b)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024(b)(3)) is amended by striking ''shall furnish'' and inserting ''shall make available for examination (and, upon request, shall furnish)''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to reports for years beginning after December 31, 2000.

SEC. 613. TECHNICAL CORRECTIONS TO SAVER ACT.

Section 517 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1147) is amended—

(1) in subsection (a), by striking ''2001 and 2005 on or after September 1 of each year involved'' and inserting ''2001, 2005, and 2009 in the month of September of each year involved'';

(2) in subsection (b), by adding at the end the following new sentence: ''To effectuate the purposes of this paragraph, the Secretary may enter into a cooperative agreement, pursuant to the Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. 6301 et seq.), with the American Savings Education Council.'';

(3) in subsection (e)(2)—

(A) by striking ''Committee on Labor and Human Resources'' in subparagraph (D) and inserting ''Committee on Health, Education, Labor, and Pensions'';

(B) by striking subparagraph (F) and inserting the following:

''(F) the Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations of the House of Representatives and the Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations of the Senate;'';

(C) by redesignating subparagraph (G) as subparagraph (J); and

(D) by inserting after subparagraph (F) the following new subparagraphs:

''(G) the Chairman and Ranking Member of the Committee on Finance of the Senate;

''(H) the Chairman and Ranking Member of the Committee on Ways and Means of the House of Representatives;

''(I) the Chairman and Ranking Member of the Subcommittee on Employer-Employee Relations of the Committee on Education and the Workforce of the House of Representatives; and'';

(4) in subsection (e)(3)(A)—

(A) by striking ''There shall be no more than 200 additional participants.'' and inserting ''The participants in the National Summit shall also include additional participants appointed under this subparagraph.'';

(B) by striking ''one-half shall be appointed by the President,'' in clause (i) and inserting ''not more than 100 participants shall be appointed under this clause by the President,'', and by striking ''and'' at the end of clause (i);

(C) by striking ''one-half shall be appointed by the elected leaders of Congress'' in clause (ii) and inserting ''not more than 100 participants shall be appointed under this clause by the elected leaders of Congress'', and by striking the period at the end of clause (ii) and inserting ''; and''; and

(D) by adding at the end the following new clause:

''(iii) The President, in consultation with the elected leaders of Congress referred to in subsection (a), may appoint under this clause additional participants to the National Summit. The number of such additional participants appointed under this clause may not exceed the lesser of 3 percent of the total number of all additional participants appointed under this paragraph, or 10. Such additional participants shall be appointed from persons nominated by the organization referred to in subsection (b)(2) which is made up of private sector businesses and associations partnered with Government entities to promote long term financial security in retirement through savings and with which the Secretary is required thereunder to consult and cooperate and shall not be Federal, State, or local government employees.'';

(5) in subsection (e)(3)(B), by striking ''January 31, 1998'' in subparagraph (B) and inserting ''May 1, 2001, May 1, 2005, and May 1, 2009, for each of the subsequent summits, respectively'';

(6) in subsection (f)(1)(C), by inserting '', no later than 90 days prior to the date of the commencement of the National Summit,'' after ''comment'' in paragraph (1)(C);

(7) in subsection (g), by inserting '', in consultation with the congressional leaders specified in subsection (e)(2),'' after ''report'';

(8) in subsection (i)—

(A) by striking ''beginning on or after October 1, 1997'' in paragraph (1) and inserting ''2001, 2005, and 2009''; and

(B) by adding at the end the following new paragraph:

''(3) RECEPTION AND REPRESENTATION AUTHORITY.—The Secretary is hereby granted reception and representation authority limited specifically to the events at the National Summit. The Secretary shall use any private contributions accepted in connection with the National Summit prior to using funds appropriated for purposes of the National Summit pursuant to this paragraph.''; and

(9) in subsection (k)—

(A) by striking ''shall enter into a contract on a sole-source basis'' and inserting ''may enter into a contract on a sole-source basis''; and

(B) by striking ''fiscal year 1998'' and inserting ''fiscal years 2001, 2005, and 2009''.

SEC. 614. STUDIES.

(a) REPORT ON PENSION COVERAGE.—Not later than 5 years after the date of the enactment of this Act, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the effect of the provisions of the Retirement Security and Savings Act of 2001 on pension coverage, including—

(1) any expansion of coverage for low- and middle-income workers;

(2) levels of pension benefits;

(3) quality of pension coverage;

(4) worker's access to and participation in plans; and

(5) retirement security.

(b) STUDY OF PRERETIREMENT USE OF BENEFITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall conduct a study of—

(A) current tax provisions allowing individuals to access individual retirement plans and qualified retirement plan benefits of such individual prior to retirement, including an analysis of—

(i) the extent of use of such current provisions by individuals; and

(ii) the extent to which such provisions undermine the goal of accumulating adequate resources for retirement; and

(B) the types of investment decisions made by individual retirement plan beneficiaries and participants in self-directed qualified retirement plans, including an analysis of—

(i) current restrictions on investments; and

(ii) the extent to which additional restrictions on investments would facilitate the accumulation of adequate income for retirement.

(2) REPORT.—Not later than January 1, 2003, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate containing the results of the study conducted under paragraph (1) and any recommendations.

TITLE VII—OTHER ERISA PROVISIONS

SEC. 701. MISSING PARTICIPANTS.

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsection:

''(c) MULTIEMPLOYER PLANS.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.

''(d) PLANS NOT OTHERWISE SUBJECT TO TITLE.—

''(1) TRANSFER TO CORPORATION.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant's benefits to the corporation upon termination of the plan.

''(2) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (4) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

''(A) to the corporation, or

''(B) to an entity other than the corporation or a plan described in paragraph (4)(B)(ii).

''(3) PAYMENT BY THE CORPORATION.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

''(A) in a single sum (plus interest), or

''(B) in such other form as is specified in regulations of the corporation.

''(4) PLANS DESCRIBED.—A plan is described in this paragraph if—

''(A) the plan is a pension plan (within the meaning of section 3(2))—

''(i) to which the provisions of this section do not apply (without regard to this subsection), and

''(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

''(B) at the time the assets are to be distributed upon termination, the plan—

''(i) has missing participants, and

''(ii) has not provided for the transfer of assets to pay the benefits of all missing participants to another pension plan (within the meaning of section 3(2)).

''(5) CERTAIN PROVISIONS NOT TO APPLY.—Subsections (a)(1) and (a)(3) shall not apply to a plan described in paragraph (4).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after final regulations implementing subsections (c) and (d) of section 4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)), respectively, are prescribed.

SEC. 702. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended—

(1) in clause (i), by inserting ''other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined),'' after ''single-employer plan,'',

(2) in clause (iii), by striking the period at the end and inserting '', and'', and

(3) by adding at the end the following new clause:

''(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.''.

(b) DEFINITION OF NEW SINGLE-EMPLOYER PLAN.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

''(F)(i) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of such sponsor's controlled group (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

''(ii)(I) For purposes of this paragraph, the term 'small employer' means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

''(II) In the case of a plan maintained by two or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 703. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR NEW AND SMALL PLANS.

(a) NEW PLANS.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

''(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product of the amount determined under clause (ii) and the applicable percentage. For purposes of this clause, the term 'applicable percentage' means—

''(I) 0 percent, for the first plan year.

''(II) 20 percent, for the second plan year.

''(III) 40 percent, for the third plan year.

''(IV) 60 percent, for the fourth plan year.

''(V) 80 percent, for the fifth plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by a contributing sponsor shall be treated as a new defined benefit plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor and each member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.''.

(b) SMALL PLANS.—Paragraph (3) of section 4006(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)), as amended by section 702(b), is amended—

(1) by striking ''The'' in subparagraph (E)(i) and inserting ''Except as provided in subparagraph (G), the'', and

(2) by inserting after subparagraph (F) the following new subparagraph:

''(G)(i) In the case of an employer who has 25 or fewer employees on the first day of the plan year, the additional premium determined under subparagraph (E) for each participant shall not exceed $5 multiplied by the number of participants in the plan as of the close of the preceding plan year.

''(ii) For purposes of clause (i), whether an employer has 25 or fewer employees on the first day of the plan year is determined taking into consideration all of the employees of all members of the contributing sponsor's controlled group. In the case of a plan maintained by two or more contributing sponsors, the employees of all contributing sponsors and their controlled groups shall be aggregated for purposes of determining whether the 25-or-fewer-employees limitation has been satisfied.''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to plans established after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2001.

SEC. 704. AUTHORIZATION FOR PBGC TO PAY INTEREST ON PREMIUM OVERPAYMENT REFUNDS.

(a) IN GENERAL.—Section 4007(b) of the Employment Retirement Income Security Act of 1974 (29 U.S.C. 1307(b)) is amended—

(1) by striking ''(b)'' and inserting ''(b)(1)'', and

(2) by inserting at the end the following new paragraph:

''(2) The corporation is authorized to pay, subject to regulations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the same rate and in the same manner as interest is calculated for underpayments under paragraph (1).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to interest accruing for periods beginning not earlier than the date of the enactment of this Act.

SEC. 705. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) MODIFICATION OF PHASE-IN OF GUARANTEE.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

''(5)(A) For purposes of this paragraph, the term 'majority owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

''(i) owns the entire interest in an unincorporated trade or business,

''(ii) in the case of a partnership, is a partner who owns, directly or indirectly, 50 percent or more of either the capital interest or the profits interest in such partnership, or

''(iii) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation.

For purposes of clause (iii), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).

''(B) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

''(i) a fraction (not to exceed 1) the numerator of which is the number of years from the later of the effective date or the adoption date of the plan to the termination date, and the denominator of which is 10, and

''(ii) the amount of benefits that would be guaranteed under this section if the participant were not a majority owner.''.

(b) MODIFICATION OF ALLOCATION OF ASSETS.—

(1) Section 4044(a)(4)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1344(a)(4)(B)) is amended by striking ''section 4022(b)(5)'' and inserting ''section 4022(b)(5)(B)''.

(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking ''(5)'' in paragraph (2) and inserting ''(4), (5),'', and

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following new paragraph:

''(3) If assets available for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of that paragraph. Any remaining assets shall then be allocated to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets shall be allocated pro rata among individuals on the basis of the present value (as of the termination date) of their respective benefits described in that subparagraph.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking ''as defined in section 4022(b)(6)'', and

(B) by adding at the end the following new subsection:

''(d) For purposes of subsection (b)(9), the term 'substantial owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

''(1) owns the entire interest in an unincorporated trade or business,

''(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

''(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in

value of either the voting stock of that corporation or all the stock of that corporation. For purposes of paragraph (3), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).''.

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1343(c)(7)) is amended by striking ''section 4022(b)(6)'' and inserting ''section 4021(d)''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) after December 31, 2001, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation after such date.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (c) shall take effect on January 1, 2002.

SEC. 706. CIVIL PENALTIES FOR BREACH OF FIDUCIARY RESPONSIBILITY.

(a) IMPOSITION AND AMOUNT OF PENALTY MADE DISCRETIONARY.—Section 502(l)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(l)(1)) is amended—

(1) by striking ''shall'' and inserting ''may'', and

(2) by striking ''equal to'' and inserting ''not greater than''.

(b) APPLICABLE RECOVERY AMOUNT.—Section 502(l)(2) of such Act (29 U.S.C. 1132(l)(2)) is amended to read as follows:

''(2) For purposes of paragraph (1), the term 'applicable recovery amount' means any amount which is recovered from any fiduciary or other person (or from any other person on behalf of any such fiduciary or other person) with respect to a breach or violation described in paragraph (1) on or after the 30th day following receipt by such fiduciary or other person of written notice from the Secretary of the violation, whether paid voluntarily or by order of a court in a judicial proceeding instituted by the Secretary under paragraph (2) or (5) of subsection (a). The Secretary may, in the Secretary's sole discretion, extend the 30-day period described in the preceding sentence.''.

(c) OTHER RULES.—Section 502(l) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(l)) is amended by adding at the end the following new paragraph:

''(5) A person shall be jointly and severally liable for the penalty described in paragraph (1) to the same extent that such person is jointly and severally liable for the applicable recovery amount on which the penalty is based.

''(6) No penalty shall be assessed under this subsection unless the person against whom the penalty is assessed is given notice and opportunity for a hearing with respect to the violation and applicable recovery amount.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to any breach of fiduciary responsibility or other violation of part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 occurring on or after the date of enactment of this Act.

(2) TRANSITION RULE.—In applying the amendment made by subsection (b) (relating to applicable recovery amount), a breach or other violation occurring before the date of enactment of this Act which continues after the 180th day after such date (and which may have been discontinued at any time during its existence) shall be treated as having occurred after such date of enactment.

SEC. 707. BENEFIT SUSPENSION NOTICE.

(a) MODIFICATION OF REGULATION.—The Secretary of Labor shall modify the regulation under section 203(a)(3)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)(3)(B)) to provide that the notification required by such regulation—

(1) in the case of an employee who returns to work for a former employer after commencement of payment of benefits under the plan shall—

(A) be made during the first calendar month or payroll period in which the plan withholds payments, and

(B) if a reduced rate of future benefit accruals will apply to the returning employee (as of the first date of participation in the plan by the employee after returning to work), include a statement that the rate of future benefit accruals will be reduced, and

(2) in the case of any employee who is not described in paragraph (1)—

(A) may be included in the summary plan description for the plan furnished in accordance with section 104(b) of such Act (29 U.S.C. 1024(b)), rather than in a separate notice, and

(B) need not include a copy of the relevant plan provisions.

(b) EFFECTIVE DATE.—The modification made under this section shall apply to plan years beginning after December 31, 2001.

TITLE VIII—PLAN AMENDMENTS

SEC. 801. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) except as provided by the Secretary of the Treasury, such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 or section 204(g) of the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this Act, or pursuant to any regulation issued under this Act, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2005.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this paragraph shall be applied by substituting ''2007'' for ''2005''.

(2) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan); and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect; and

(B) such plan or contract amendment applies retroactively for such period.

Mr. BAUCUS. Mr. President, I am very pleased to be joining my chairman, Senator GRASSLEY, to introduce this bill today. I also want to express my particular appreciation to Senator BOB GRAHAM and Senator JEFFORDS, without whose tireless work on pension issues this bill would not have been possible.

We all know that our nation is facing a demographic shift of tremendous proportions in the coming decades. There are over 35 million people over the age of 65 today. By 2050, the number of people aged 65 and older is estimated to rise above 81 million.

Yet we have watched the oncoming wave of retirements without adequately preparing for them, either as a nation, or as individuals.

About three in every four workers say they have personally begun saving for retirement outside the Social Security system. But the amounts accumulated by workers as a whole are unimpressive. Most have accumulated less than $50,000 in their retirement accounts. One-half of all 401(k) accounts have balances of less than $10,000. Now some of these small amounts, not surprisingly, belong to younger workers who have more time for those assets to grow. But only one-fourth of those aged 35 and older have saved more than $100,000.

Americans can already expect to live about a quarter of their lives in retirement. As advances in medicine conquer more and more life threatening diseases such as cancer and stroke, more of us will live to see our second century—spending a full one-third of our lives in retirement. Every dollar we save will need to be stretched further as we live longer. Our ability and willingness to save now will define whether those retirement years are spent in comfort or poverty.

The American people have many wonderful qualities. But, these days, unfortunately, thrift isn't one of them.

During the last twenty years, personal savings rates have consistently declined, from a peak of just under 11 percent of GDP in the 1970's and 1980's to today's absymal numbers. Personal saving as a percentage of disposable income have been in negative territory since last July, and the preliminary estimate for February is a negative 1.3 percent, the same as in January.

What does this matter? A low savings rate means that people aren't putting their own money away for retirement. That makes them more dependent on Social Security.

Sixteen percent of today's retirees rely exclusively on Social Security benefits for their retirement income, and two-thirds of all retirees rely on Social Security for over one-half of their retirement income. Yet Social Security only replaces an average of 40 percent of a worker's income, because the program was never designed to be a retiree's sole source of support. If retirees continue to rely so heavily on Social Security, there will still be far too many Americans spending their retirement years one step away from poverty.

On top of that, a low savings rate means that less capital is available for

new investments today. Increased capital for investment is an essential element to our international competitiveness, and critical in a time of slow economic growth such as we have now. Helping more Americans save for their retirement will be a long-term economic stimulus for our country.

The bill we are introducing here today represents a bi-partisan effort to reverse this trend. It will expand savings opportunities for those who are not saving enough, and provide incentives for those who are not saving at all. It is endorsed by a broad cross-section of groups representing the pension community, from the Retirement Savings Network to the AARP.

The bill reforms the tax rules for pension plans. It makes pensions more portable, to make it easier for workers to take their pensions with them when they change jobs. It strengthens pensions security and enforcement. It expands coverage for small businesses. It enhances pension fairness of women. And it encourages retirement education.

The bill also increases the contribution limits for Individual Retirement Accounts. IRAs have proven to be a very popular way for millions of workers to save for retirement, particularly for those who don't have pension plans available through their employers. The IRA limits haven't been increased since they were created almost two decades ago. They are long overdue for an increase. In addition to the IRA provisions, the bill increases contribution limits for employer-sponsored pension plans such as 401(k) plans.

These are positive changes. However, by and large, they reinforce the conventional approach to retirement incentives. That approach can best be described as a ''top down'' approach. We create incentives for people with higher incomes, hoping that the so-called nondiscrimination rules will give the higher paid folks an incentive to encourage more participation by others, such as through employer matching programs.

I don't have a problem with this approach, as far as it goes. But it doesn't do enough to reach out to middle and lower income workers.

That's why I am particularly pleased that the bill goes further, by creating two new savings incentives. One creates new incentives to encourage small businesses to establish pension plans for their employees. The other creates a new matching program to help workers save their own money for retirement.

Let me discuss each in turn.

First, the incentives for small businesses. Unlike larger companies, most small business owners don't offer pension plans. While three out of every four workers at large companies are participating in some form of pension plan, only one out of every three employees of small businesses have pensions. This leaves over 30 million workers without a pension plan.

It's not that small businesses don't want to provide pension plans. They simply can't afford to. In a recent survey of small employers by the Employee Benefit Research Institute, 65 percent of all small business owners said tax credits for start-up costs would be strong incentives for starting retirement plans. They said tax credits are second only to an increase in business profits as a motivation to small employers to offer a pension plan to their employees.

The Grassley-Baucus bill provides this motivation by creating two new tax credits.

The first is a tax credit of up to $500 to help defray the administrative costs of starting a new plan.

The second is a tax credit to help employers contribute to a new plan on behalf of their lower paid employees. In effect, it is a match of amounts employers in small firms put into new retirement plans for their employees, up to a limit of 3% of the salaries of these workers.

Taken together, these new incentives will make it easier for small businesses to reach out to their employees and provide them with a pension.

In addition, the bill creates a new tax credit that's aimed primarily at workers who do not have a pension plan available to them, to encourage them to save for themselves.

Only one-third of families with incomes under $25,000 are saving for retirement either through a pension plan or in an IRA. This compares with 85 percent of families with incomes over $50,000 who are saving for retirement.

We clearly need to provide an incentive for those families who aren't saving right now, and the individual savings credit included in the Grassley-Baucus bill will provide that incentive.

Here's how it works. A couple with a joint income of $30,000 is eligible for a 50% tax credit for the amount that they save each year, for savings of up to $2000. People with higher incomes get a smaller match, up to a joint income of $50,000.

According to the Joint Tax Committee, over 8 million families will be eligible for the individual savings credit. This will provide a strong incentive for these families to begin setting aside money for their retirement.

I understand pension incentives are not currently part of the President's tax plan. But I strongly believe this period of surpluses gives us a unique opportunity to help millions of individual Americans save for the future—an opportunity that we shouldn't pass up. Enacting the Grassley-Baucus bill also will help our economy grow by reducing the cost of capital, providing a long-term stimulus to economic growth.

This bill will help those who are already thrifty and need the government to loosen limits on saving. But it will also help the many people who have been left behind. Good people, who are working hard to make ends meet, but having trouble also saving for a rainy day.

This bill reaches out to all of them. It is a bipartisan effort to give every working person in this country a real stake in the American Dream.

I urge my colleagues to join us as cosponsors.

Mr. GRAHAM. Mr. President, I rise today along with Senators GRASSLEY and BAUCUS to introduce the Retirement Security and Savings Act of 2001. I am honored to be here today, in a bipartisan group, and especially with my colleague Senator GRASSLEY, who has put a tremendous effort into crafting many parts of this bill. He and I recognize that for our nation to solve what will be one of this generation's greatest challenges, building retirement security for today's workers, we need to move in a common sense, bipartisan fashion.

Many of the original cosponsors have dedicated their years in the Senate to crafting key sections of this legislation. Senator GRASSLEY's efforts have expanded fairness for women and families, and highlighted the benefits of retirement education. Senator BAUCUS has also been a prime contributor to this legislation, fostering the proposals to expand pension coverage and ease the administrative burdens on America's small businesses.

We have come here today, from both sides of the aisle, to ensure that future generations have a strong and viable retirement security system.

Retirement today is a much different prospect than it was a generation ago. Retirees can expect to live much longer. Their health care needs are different and they are much more likely to need long-term care.

Planning for retirement has also changed. Thirty years ago retirement planning consisted of picking an employer with a good pension plan and sticking with that company for 30 years.

Traditional pensions, with their clockwork monthly checks in return for a defined term of service, are becoming nostalgic memories. Increasingly, employers are turning to defined contribution plans—401(k)s and the like.

For example, twenty-five years ago nearly 31 million American workers were covered by a pension plan. Of those, 87 percent had a defined benefit plan, according to the Department of Labor. Today, less than one-half of workers covered by a retirement plan have a defined benefit plan, while 54 percent are covered by a defined contribution plan.

An employee with a 401(k) account can count on getting only one thing each month—a statement tracking account investments that rise and fall with financial markets. The burden of ensuring that there are sufficient assets in their 401(k) plans falls upon them.

And these are the lucky workers. Many employers—small businesses in

particular—do not offer any kind of employer-sponsored retirement plan. Workers at these businesses are left to fend for themselves.

Recent statistics from the Social Security Administration illustrate the importance of each component of retirement income. 38 percent of retirees' income came from Social Security, 19 percent from employer-sponsored savings plans or pensions, and 19 percent from savings. The rest was unidentified income or earnings from work.

Clearly, Social Security alone is not sufficient basis for a solid retirement plan. Adequate retirement security these days involves planning and coordinating three principal sources of income: Social Security, employer-based pensions and personal savings.

Pensions and personal savings will make up an ever-increasing part of retirement security. Today, if a worker retires with no savings and no pension, nearly 40 percent of his/her retirement income is lost. Even as retirees are becoming more heavily reliant on pensions, statistics show that 45 million working Americans are still not covered by any type of retirement plan.

There are a number of reasons why fewer and fewer working Americans are earning retirement benefits. First, job tenure has fallen. Today's workers no longer dedicate their entire working life to one company. Now, the average worker will have had 7 employers in a 40-year work career. The mobility of working Americans, and the necessity of businesses to restructure their workforce, can create tremendous obstacles in ever being able to fully vest, and obtain retirement benefits.

Second, small businesses, the most dynamic part of our economy, are the least able to offer their workers retirement benefits. Studies indicate that small businesses are responsible for a large portion of the country's job growth, and that this trend will accelerate in the future.

Third, our economy has shifted away from manufacturing jobs, which tend to offer pensions, to service and retail jobs, which tend to have shorter job tenure, more part-time workers, and less likelihood of providing pension and retirement benefits.

And finally, there are fewer union workers. Collective bargaining agreements are the most likely to contain retirement benefits. There are fewer union workers than 20 years ago, and the number is still declining. Therefore, less people will have important lifetime retirement security.

It is imperative that Congress take action to improve the private side of retirement security and encourage personal savings. Our bill, the Retirement Security and Savings Act, will help hard-working Americans build personal retirement savings through 401(k)s and IRAs.

To achieve this goal, we focused on six areas: simplification, portability, expanded coverage for small business, pension security and enforcement, women's equity issues, and expanding retirement planning and education opportunities.

This legislation benefits both employers and workers. Employers get simpler pension systems with less administrative burden, and more loyal employees. And workers build secure retirement and watch their savings accumulate over years of work.

A large section of this legislation deals with expanded coverage for small businesses. It's such an important component of this bill because small businesses have the greatest difficulty achieving retirement security.

The problem: statistics indicate that only a small percentage of workers in firms of less than 100 employees have access to a retirement plan. We take a step forward in eliminating one of the first hurdles that a small business faces when it establishes a pension plan. On one hand, the federal government encourages these businesses to establish pension plans. Yet on the other hand, we turn around and charge the small business, at times, up to one thousand dollars to register their plan with the Internal Revenue Service.

The solution: our bill eliminates this fee for small businesses. We need to encourage small businesses to start plans, not discourage them with high registration fees.

This legislation also addresses the inadequacy of retirement security for women and families. Generally speaking, women live longer than men, and therefore, need greater savings for retirement. Yet our pension and retirement laws do not reflect this. Women are more mobile than men, moving in and out of the workforce due to family responsibilities; thus, they have less of a chance to become vested. Our legislation offers a solution—shrinking the five-year vesting cycle to a three-year cycle.

As I mentioned earlier, the current U.S. worker will have seven different employers over their lifetime. We have the possibility of creating a generation of American workers who will retire with many small accounts—creating a complex maze of statements and features, different for each account. This is a problem—pensions should be portable from job to job.

Unfortunately, our tax laws contain barriers to retirement-account portability and so the major benefit of defined-contribution plans are often rendered unusable. Workers changing jobs are often given their savings back in a lump sum that doesn't always make it back into an Individual Retirement Account or their new employer's 401(k). The result is that retirement savings get spent before retirement.

Our bill provides a solution to this problem. It allows employees to roll one retirement account into another as they move from job to job so that when they retire, they will have one retirement account. It's easier to monitor, less complicated to keep track of, and builds a more secure retirement for the worker.

Portability is important, but we must also reduce the red tape. The main obstacle that companies face in establishing retirement programs is the administrative burden. For example: for small plans, it costs $228 per person per year just to comply with all the forms, tests and regulations.

We have a common sense remedy to one of the most vexing problems in pension administration: figuring out how much money to contribute to the company's plan. It's a complex formula of facts, statistics and assumptions. We want to be able to say to plans that have no problem with underfunding: to help make these calculations, you can use the prior year's data to help make the proper contribution. You don't have to re-sort through the numbers each and every year. Companies will be able to calculate, and then budget accordingly—and not wait until figures and rates out of their control are released by outside sources.

I have said time and time again that Americans are not saving. But those who are oftentimes hit limits on the amounts they can save. The problem is that most of these limits were established more than 20 years ago. Currently, for example, in a 401(k) plan the IRS limits the amount an employee can contribute to $10,500 a year.

Our solution is to raise that limit to $15,000, along with raising many other limits that affect savings in order to build a more secure retirement for working Americans.

Building retirement security will also take some education. One of the principal reasons Americans do not prepare for retirement is that they don't understand the benefits that are available to them.

One solution to this dilemma is regular and easy to read benefit statements from employers reminding workers early in their career of the importance of retirement savings. These statements would clarify what benefits workers are accruing. With this information each American will more easily be able to determine the personal savings they need in order to build a sound retirement.

The new retirement paradigm requires Congress and individual workers to rededicate themselves to the goal of retirement security. If we fail, the consequences will be harsh. That's particularly true in Florida, a popular retirement destination that could be devastated by an influx of seniors inadequately prepared for their retirement.

While Florida would be hit first, the nation as a whole will eventually feel the pain as the population ages faster than the workforce. To those who would suggest this is the distant future, remember how far high school seemed when you were in the sixth grade, how 30 once loomed eons from 25, and how we once thought our parents would be young and healthy forever.

With the introduction of this legislation today it is my goal to ensure that

each American who works hard for thirty or forty years has gotten every opportunity for a secure and comfortable retirement.

I thank my colleagues who have worked so hard with me on this measure, and ask for the support of those in this Chamber on this important legislation.

Mr. HATCH. Mr. President, I rise today to express my support for the Retirement Security and Savings Act of 2001, and I am pleased to once again join my colleagues as an original cosponsor of this important legislation. Enactment of this bill would encourage more businesses to offer pension plans to their employees by simplifying the complex and burdensome pension rules they face and would also make it easier for employees to save for their own retirement.

I want to congratulate my colleague, the chairman of the Finance Committee, Senator GRASSLEY, for his effective and persistent leadership on this issue. Senators GRASSLEY, BAUCUS, GRAHAM, and JEFFORDS, along with myself and several other Senators, have been working on enactment of a bipartisan pension simplification and retirement savings enhancement bill for several years now. These efforts led to the successful passage of a bipartisan package of such provisions in the Taxpayer Refund and Reform Act of 1999, which was unfortunately vetoed by President Clinton. We again came close to the goal line last year when the Finance Committee reported out a bill containing similar provisions. The ultimate objective of enactment has been elusive, however. Introduction of this legislation today is the first step of what I hope will be the successful completion to this long quest.

However, I have some serious concerns with some changes that were made to the bill being introduced today, compared with earlier versions. Specifically, important changes to the top-heavy rules that affect small businesses have been left out. Let me explain.

Today's pension laws are complicated and cumbersome and a deterrent to small businesses wanting to establish a retirement plan. In 1996, Congress began the job of pension simplification when it passed the Small Business Job Protection Act. This Act contained important changes to our pension laws, including two simplification provisions important to small and family-owned businesses—an exemption from costly nondiscrimination testing for 401(k) plans that meet certain safe harbors, such as providing a minimum level of benefits to non-highly paid employees, and the elimination of complex and duplicative family aggregation rules.

Unfortunately, these changes did not apply to the top-heavy rules. The top-heavy rules are additional testing and minimum benefit requirements aimed at ensuring that owner-dominated plans do not discriminate against lower-paid workers. Due to their design, top-heavy rules generally only affect business with fewer than 100 employees.

I recognize the need to protect lower-paid employees from discrimination in the design of retirement plans. However, the top-heavy rules can be duplicative and especially harmful in that they discourage small employers from establishing pension plans because they add to the cost and administrative burden of sponsoring a plan. In the end, rules like these that were designed to protect employees can end up harming them by leaving them with no employer-provided retirement coverage. Moreover, the general nondiscrimination rules have been strengthened over the years since the enactment of the top-heavy rules, and are further strengthened by the provisions of the bill being introduced today. Therefore, eliminating these duplicative top-heavy rules would not leave workers unprotected. It would, however, remove a disincentive for small employers to sponsor a retirement plan.

H.R. 1102, the pension simplification bill that passed the House of Representatives and the Finance Committee last year with broad bipartisan support, as well as H.R. 10, this year's version of the so-called Portman-Cardin bill recently introduced in the House, contain two important provisions that were left out of the bill being introduced today. These two omitted provisions would exempt safe-harbor 401(k) plans from the top-heavy rules and remove the family aggregation requirement from the top-heavy rules.

First, the 401(k) safe harbor provides exactly what the top-heavy rules attempt to do—guarantee that non-highly paid workers get a minimum level of benefits and are not discriminated against. In return, employers can avoid costly nondiscrimination testing. Congress provided the safe-harbors to encourage small employers to create new pension plans and provide more generous benefits to employees. However, because qualification for the safe harbor does not exclude a plan from the top-heavy rules, the fear of costly testing can be a serious deterrent to businesses wishing to take advantage of the safe harbor, even if the plan satisfies the minimum benefit requirements. Thus, in order to provide certainty and encouragement to small businesses, 401(k) plans that meet the safe harbor rules should also be exempt from top-heavy testing.

Second, as was noted by Congress in 1996, the family aggregation rules are complex and unnecessary in light of the numerous other provisions that protect against pension plans disproportionately favoring high-paid workers. Moreover, requiring the aggregation of family members when testing pension plans imposes undue restrictions on the ability of a family-owned business to provide adequate retirement benefits for all members of the family working for the business. Therefore, Congress should complete the task of easing this burden on family-owned businesses by removing the family aggregation requirement from the top-heavy rules.

On the whole I support the legislation we are introducing today. It would go a long way toward increasing the retirement security for millions of Americans. However, I am disappointed that these two provisions, along with several others, were dropped from the bill. These two provisions are particularly important tools in our effort to expand employee retirement coverage by encouraging small businesses to establish pension plans. As pension reform legislation makes its way through the legislative process, I will work to try to restore these provisions so that small family-owned businesses will have more certainty and confidence and fewer unnecessary burdens and costs when establishing pension plans for their workers.

By Mr. REED (for himself, Mrs. CLINTON, and Mr. SCHUMER):

S. 743. A bill to establish a medical education trust fund, and for other purposes; to the Committee on Finance.

Mr. REED. Mr. President, today I am introducing legislation along with my colleague Senator CLINTON, that establishes a Medical Education Trust Fund to support America's 144 medical schools and 1,250 graduate medical education, GME, teaching institutions. These institutions are national treasures, they are the very best in the world and deserve explicit and dedicated funding to guarantee that the United States continues to lead the world in the quality of its medical education and its health care delivery system.

The Medical Education Trust Fund Act, METFA, of 2001 recognizes the need to begin moving away from existing medical education payment policies. The primary and immediate purpose of the legislation is to establish as Federal policy that medical education is a public good that all sectors of the health care system must support. This bill ensures that public and private insurers share the burden of financing medical education equitably. As such, METFA will be funded through three sources: a 1.5 percent assessment on health insurance premiums, Medicare, and Medicaid. The relative contribution from each of these sources is in rough proportion to the medical education costs attributable to their respective covered populations.

GME is increasingly becoming hostage to fights over larger questions about the solvency and design of the Medicare system. The very commission entrusted to protect the integrity of the Medicare program, MedPAC, itself has succumbed to political and idelogical pressures by recommending that the GME program be removed from the Health Insurance Trust Fund and thrown into the appropriations process. I cannot stress strongly

enough how important it is to reject this recommendation. To subject GME to the annual appropriations process does nothing more than to put a vital program in direct competition with many other important federal priorities in a budget that the Bush Administration is already severely constraining. We have seen this first hand in working through the 2002 budget, where the current Administration has proposed to cut a large portion of the Pediatric GME program to fund other programs. Leaving this program unprotected, will incite the same type of particularized special interest advocacy that we see emerging in other areas of health care. I urge my colleagues to reject this dangerous notion and instead call on all of you to support the concept embodied in this bill.

This legislation, METFA, is not my innovation. It is an idea, pioneered by our former colleague, Senator Moynihan. This bill recognizes that medical education is the responsibility of all who benefit from it and must therefore share in the responsibility to support it. As Senator Moynihan once said ''medical education is one of America's most precious public resources.'' He understood that despite the increasingly competitive health care system of our time, that medical education was a public good, that is, ''a good from which everyone benefits but for which no one is willing to pay.''

Some health reformers argue that in fact, GME does not meet the requirements of a public good and that therefore, an all-payer system is nothing more than a form of taxation. I beg to differ. Health care is not a commodity. While we can and should rely on competition to hold down costs in much of the health system, we must not allow it to bring a premature end to this great age of medical discovery, an age made possible by this country's exceptionally well trained health professionals and superior medical schools and teaching hospitals. Indeed, through the NIH and the tax code we have successfully and robustly, subsidized the development of new wonder drugs, and I certainly don't think anyone is suggesting that we change this policy, my legislation complements a competitive health market by providing tax-supported funding for the public services provided by teaching hospitals and medical schools.

The legislation we introduce today is only the beginning. It establishes the principle that, as a public good, medical education should be supported by a stable, dedicated, long-term source of funding. To ensure that the United States continues to lead the world in the quality of its medical education and its health system as a whole, the legislation would also create a Medical Education Advisory Commission to conduct a thorough study and make recommendations, including the potential use of demonstration projects, regarding the following: alternative and additional sources of medical education financing; alternative methodologies for financing medical education; policies designed to maintain superior research and educational capacities in an increasingly competitive health system; the appropriate role of medical schools in graduate medical education; polices designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals, including children's hospital.

The services provided by our nation's teaching hospitals and medical schools, groundbreaking research, highly skilled medical care, and the training of tomorrow's physicians, are vitally important and must be protected in this time of intense economic competition in the health system.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 743

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 ''Medical Education Trust Fund Act of 2001''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Medical Education Trust Fund.
Sec. 3. Amendments to medicare program.
Sec. 4. Amendments to medicaid program.
Sec. 5. Assessments on insured and self-insured health plans.
Sec. 6. Medical Education Advisory Commission.
Sec. 7. Demonstration projects.

SEC. 2. MEDICAL EDUCATION TRUST FUND.

The Social Security Act (42 U.S.C. 300 et seq.) is amended by adding after title XXI the following new title:

''TITLE XXII—MEDICAL EDUCATION TRUST FUND

''TABLE OF CONTENTS OF TITLE

''Sec. 2201. Establishment of Trust Fund.
''Sec. 2202. Payments to medical schools.
''Sec. 2203. Payments to teaching hospitals.

''SEC. 2201. ESTABLISHMENT OF TRUST FUND.

''(a) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the Medical Education Trust Fund (in this title referred to as the 'Trust Fund'), consisting of the following accounts:

''(1) The Medical School Account.

''(2) The Medicare Teaching Hospital Indirect Account.

''(3) The Medicare Teaching Hospital Direct Account.

''(4) The Non-Medicare Teaching Hospital Indirect Account.

''(5) The Non-Medicare Teaching Hospital Direct Account.

Each such account shall consist of such amounts as are allocated and transferred to such account under this section, sections 1886(m) and 1936, and section 4503 of the Internal Revenue Code of 1986. Amounts in the accounts of the Trust Fund shall remain available until expended.

''(b) EXPENDITURES FROM TRUST FUND.—Amounts in the accounts of the Trust Fund are available to the Secretary for making payments under sections 2202 and 2203.

''(c) INVESTMENT.—

''(1) IN GENERAL.—The Secretary of the Treasury shall invest amounts in the accounts of the Trust Fund which the Secretary determines are not required to meet current withdrawals from the Trust Fund. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired on original issue at the issue price, or by purchase of outstanding obligations at the market price.

''(2) SALE OF OBLIGATIONS.—The Secretary of the Treasury may sell at market price any obligation acquired under paragraph (1).

''(3) AVAILABILITY OF INCOME.—Any interest derived from obligations held in each such account, and proceeds from any sale or redemption of such obligations, are hereby appropriated to such account.

''(d) MONETARY GIFTS TO TRUST FUND.—There are appropriated to the Trust Fund such amounts as may be unconditionally donated to the Federal Government as gifts to the Trust Fund. Such amounts shall be allocated and transferred to the accounts described in subsection (a) in the same proportion as the amounts in each of the accounts bears to the total amount in all the accounts of the Trust Fund.

''SEC. 2202. PAYMENTS TO MEDICAL SCHOOLS.

''(a) FEDERAL PAYMENTS TO MEDICAL SCHOOLS FOR CERTAIN COSTS.—

''(1) IN GENERAL.—In the case of a medical school that in accordance with paragraph (2) submits to the Secretary an application for fiscal year 2002 or any subsequent fiscal year, the Secretary shall make payments for such year to the medical school for the purpose specified in paragraph (3). The Secretary shall make such payments from the Medical School Account in an amount determined in accordance with subsection (b), and may administer the payments as a contract, grant, or cooperative agreement.

''(2) APPLICATION FOR PAYMENTS.—For purposes of paragraph (1), an application for payments under such paragraph for a fiscal year is in accordance with this paragraph if—

''(A) the medical school involved submits the application not later than the date specified by the Secretary; and

''(B) the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

''(3) PURPOSE OF PAYMENTS.—The purpose of payments under paragraph (1) is to assist medical schools in maintaining and developing quality educational programs in an increasingly competitive health care system.

''(b) AVAILABILITY OF TRUST FUND FOR PAYMENTS; ANNUAL AMOUNT OF PAYMENTS.—

''(1) AVAILABILITY OF TRUST FUND FOR PAYMENTS.—For making payments under subsection (a) from the amount allocated and transferred to the Medical School Account under sections 1886(m), 1936, 2201(c)(3), and 2201(d), and section 4503 of the Internal Revenue Code of 1986, amounts for a fiscal year shall be available as follows:

''(A) In the case of fiscal year 2002, $200,000,000.

''(B) In the case of fiscal year 2003, $300,000,000.

''(C) In the case of fiscal year 2004, $400,000,000.

''(D) In the case of fiscal year 2005, $500,000,000.

''(E) In the case of fiscal year 2006, $600,000,000.

''(F) In the case of each subsequent fiscal year, the amount determined under this paragraph for the previous fiscal year updated through the midpoint of such previous fiscal year by the estimated percentage

change in the general health care inflation factor (as defined in subsection (d)) during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous underestimations or overestimations under this subparagraph in the projected health care inflation factor.

''(2) AMOUNT OF PAYMENTS FOR MEDICAL SCHOOLS.—

''(A) IN GENERAL.—Subject to the annual amount available under paragraph (1) for a fiscal year, the amount of payments required under subsection (a) to be made to a medical school that submits to the Secretary an application for such year in accordance with subsection (a)(2) is an amount equal to an amount determined by the Secretary in accordance with subparagraph (B).

''(B) DEVELOPMENT OF FORMULA.—The Secretary shall develop a formula for allocation of funds to medical schools under this section consistent with the purpose described in subsection (a)(3).

''(c) MEDICAL SCHOOL DEFINED.—For purposes of this section, the term 'medical school' means a school of medicine (as defined in section 799 of the Public Health Service Act) or a school of osteopathic medicine (as defined in such section).

''(d) GENERAL HEALTH CARE INFLATION FACTOR.—The term 'general health care inflation factor' means the Consumer Price Index for Medical Services as determined by the Bureau of Labor Statistics.

''SEC. 2203. PAYMENTS TO TEACHING HOSPITALS.

''(a) FORMULA PAYMENTS TO ELIGIBLE ENTITIES.—

''(1) IN GENERAL.—In the case of any fiscal year beginning after September 30, 2001, the Secretary shall make payments to each eligible entity that, in accordance with paragraph (2), submits to the Secretary an application for such fiscal year. Such payments shall be made from the Trust Fund, and the total of the payments to the eligible entity for the fiscal year shall equal the sum of the amounts determined under subsections (b), (c), (d), and (e) with respect to such entity.

''(2) APPLICATION.—For purposes of paragraph (1), an application shall contain such information as may be necessary for the Secretary to make payments under such paragraph to an eligible entity during a fiscal year. An application shall be treated as submitted in accordance with this paragraph if it is submitted not later than the date specified by the Secretary, and is made in such form and manner as the Secretary may require.

''(3) PERIODIC PAYMENTS.—Payments under paragraph (1) to an eligible entity for a fiscal year shall be made periodically, at such intervals and in such amounts as the Secretary determines to be appropriate (subject to applicable Federal law regarding Federal payments).

''(4) ADMINISTRATOR OF PROGRAMS.—The Secretary shall carry out responsibility under this title by acting through the Administrator of the Health Care Financing Administration.

''(5) ELIGIBLE ENTITY.—For purposes of this title, the term 'eligible entity', with respect to any fiscal year, means—

''(A) for payment under subsections (b) and (c), an entity which would be eligible to receive payments for such fiscal year under—

''(i) section 1886(d)(5)(B), if such payments had not been terminated for discharges occurring after September 30, 2001;

''(ii) section 1886(h), if such payments had not been terminated for cost reporting periods beginning after September 30, 2001; or

''(iii) both sections; or

''(B) for payment under subsections (d) and (e)—

''(i) an entity which meets the requirement of subparagraph (A); or

''(ii) an entity which the Secretary determines should be considered an eligible entity.

''(b) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Indirect Account under section 1886(m)(1), and subsections (c)(3) and (d) of section 2201 for such fiscal year.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year is equal to the percentage of the total payments which would have been made to the eligible entity in such fiscal year under section 1886(d)(5)(B) if such payments had not been terminated for discharges occurring after September 30, 2001.

''(c) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Direct Account under section 1886(m)(2), and subsections (c)(3) and (d) of section 2201 for such fiscal year.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year is equal to the percentage of the total payments which would have been made to the eligible entity in such fiscal year under section 1886(h) if such payments had not been terminated for cost reporting periods beginning after September 30, 2001.

''(d) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account for such fiscal year under section 1936, subsections (c)(3) and (d) of section 2201, and section 4503 of the Internal Revenue Code of 1986.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(d)(5)(B) if—

''(A) such payments had not been terminated for discharges occurring after September 30, 2001; and

''(B) such payments were computed in a manner that treated each patient not eligible for benefits under title XVIII as if such patient were eligible for such benefits.

''(e) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Direct Account for such fiscal year under section 1936, subsections (c)(3) and (d) of section 2201, and section 4503 of the Internal Revenue Code of 1986.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(h) if—

''(A) such payments had not been terminated for cost reporting periods beginning after September 30, 2001; and

''(B) such payments were computed in a manner that treated each patient not eligible for benefits under part A of title XVIII as if such patient were eligible for such benefits.''.

SEC. 3. AMENDMENTS TO MEDICARE PROGRAM.

Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended—

(1) in subsection (d)(5)(B), in the matter preceding clause (i), by striking ''The Secretary shall provide'' and inserting the following: ''For discharges occurring before October 1, 2001, the Secretary shall provide'';

(2) in subsection (d)(11)(C), by inserting after ''paragraph (5)(B)'' the following: ''(notwithstanding that payments under paragraph (5)(B) are terminated for discharges occurring after September 30, 2001)'';

(3) in subsection (h)—

(A) in paragraph (1), in the first sentence, by striking ''the Secretary shall provide'' and inserting ''the Secretary shall, subject to paragraph (7), provide''; and

(B) by adding at the end the following:

''(7) LIMITATION.—

''(A) IN GENERAL.—The authority to make payments under this subsection (other than payments made under paragraphs (3)(D) and (6)) shall not apply with respect to—

''(i) cost reporting periods beginning after September 30, 2001; and

''(ii) any portion of a cost reporting period beginning on or before such date which occurs after such date.

''(B) RULE OF CONSTRUCTION.—This paragraph may not be construed as authorizing any payment under section 1861(v) with respect to graduate medical education.''; and

(4) by adding at the end the following:

''(m) TRANSFERS TO MEDICAL EDUCATION TRUST FUND.—

''(1) INDIRECT COSTS OF MEDICAL EDUCATION.—

''(A) TRANSFER.—

''(i) IN GENERAL.—From the Federal Hospital Insurance Trust Fund, the Secretary shall, for fiscal year 2002 and each subsequent fiscal year, transfer to the Medical Education Trust Fund an amount equal to the amount estimated by the Secretary under subparagraph (B).

''(ii) ALLOCATION.—Of the amount transferred under clause (i)—

''(I) there shall be allocated and transferred to the Medical School Account of such Trust Fund an amount which bears the same ratio to the total amount available under section 2202(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to such Trust Fund under title XXII (excluding amounts transferred under subsections (c)(3) and (d) of section 2201) for such fiscal year; and

''(II) the remainder shall be allocated and transferred to the Medicare Teaching Hospital Indirect Account of such Trust Fund.

''(B) DETERMINATION OF AMOUNTS.—The Secretary shall make an estimate for each fiscal year involved of the nationwide total of the amounts that would have been paid under subsection (d)(5)(B) to hospitals during the fiscal year if such payments had not been terminated for discharges occurring after September 30, 2001.

''(2) DIRECT COSTS OF MEDICAL EDUCATION.—

''(A) TRANSFER.—

''(i) IN GENERAL.—From the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, the Secretary shall, for fiscal year 2002 and each subsequent fiscal year, transfer to the Medical Education Trust Fund an

amount equal to the amount estimated by the Secretary under subparagraph (B).

''(ii) ALLOCATION.—Of the amount transferred under clause (i)—

''(I) there shall be allocated and transferred to the Medical School Account of such Trust Fund an amount which bears the same ratio to the total amount available under section 2202(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to such Trust Fund under title XXII (excluding amounts transferred under subsections (c)(3) and (d) of section 2201) for such fiscal year; and

''(II) the remainder shall be allocated and transferred to the Medicare Teaching Hospital Direct Account of such Trust Fund.

''(B) DETERMINATION OF AMOUNTS.—For each hospital, the Secretary shall make an estimate for the fiscal year involved of the amount that would have been paid under subsection (h) to the hospital during the fiscal year if such payments had not been terminated for cost reporting periods beginning after September 30, 2001.

''(C) ALLOCATION BETWEEN FUNDS.—In providing for a transfer under subparagraph (A) for a fiscal year, the Secretary shall provide for an allocation of the amounts involved between part A and part B (and the trust funds established under the respective parts) as reasonably reflects the proportion of direct graduate medical education costs of hospitals associated with the provision of services under each respective part.''.

SEC. 4. AMENDMENTS TO MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by adding at the end the following:

''TRANSFER OF FUNDS TO ACCOUNTS

''SEC. 1936. (a) TRANSFER OF FUNDS.—

''(1) IN GENERAL.—For fiscal year 2002 and each subsequent fiscal year, the Secretary shall transfer to the Medical Education Trust Fund established under title XXII an amount equal to the amount determined under subsection (b).

''(2) ALLOCATION.—Of the amount transferred under paragraph (1)—

''(A) there shall be allocated and transferred to the Medical School Account of such Trust Fund an amount which bears the same ratio to the total amount available under section 2202(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under paragraph (1) bears to the total amounts transferred to such Trust Fund (excluding amounts transferred under subsections (c)(3) and (d) of section 2201) for such fiscal year; and

''(B) the remainder shall be allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account and the Non-Medicare Teaching Hospital Direct Account of such Trust Fund, in the same proportion as the amounts transferred to each account under section 1886(m) relate to the total amounts transferred under such section for such fiscal year.

''(b) AMOUNT DETERMINED.—

''(1) OUTLAYS FOR ACUTE MEDICAL SERVICES DURING PRECEDING FISCAL YEAR.—Beginning with fiscal year 2002, the Secretary shall determine 5 percent of the total amount of Federal outlays made under this title for acute medical services, as defined in paragraph (2), for the preceding fiscal year.

''(2) ACUTE MEDICAL SERVICES DEFINED.—The term 'acute medical services' means items and services described in section 1905(a) other than the following:

''(A) Nursing facility services (as defined in section 1905(f)).

''(B) Services provided by an intermediate care facility for the mentally retarded (as defined in section 1905(d)).

''(C) Personal care services described in section 1905(a)(24).

''(D) Private duty nursing services referred to in section 1905(a)(8).

''(E) Home or community-based services and other services furnished under a waiver granted under subsection (c), (d), or (e) of section 1915.

''(F) Home and community care furnished to functionally disabled elderly individuals under section 1929.

''(G) Community supported living arrangements services under section 1930.

''(H) Case-management services described in section 1915(g)(2).

''(I) Home health care services referred to in section 1905(a)(7), clinic services, and rehabilitation services that are furnished to an individual who has a condition or disability that qualifies the individual to receive any of the services described in a previous subparagraph.

''(J) Services furnished in an institution for mental diseases (as defined in section 1905(i)).

''(c) ENTITLEMENT.—This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment to the Non-Medicare Teaching Hospital Indirect Account, the Non-Medicare Teaching Hospital Direct Account, and the Medical School Account of amounts determined in accordance with subsections (a) and (b).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2001.

SEC. 5. ASSESSMENTS ON INSURED AND SELF-INSURED HEALTH PLANS.

(a) GENERAL RULE.—Subtitle D of the Internal Revenue Code of 1986 (relating to miscellaneous excise taxes) is amended by adding after chapter 36 the following new chapter:

''CHAPTER 37—HEALTH RELATED ASSESSMENTS

''SUBCHAPTER A. Insured and self-insured health plans.

''Subchapter A—Insured and Self-Insured Health Plans

''Sec. 4501. Health insurance and health-related administrative services.

''Sec. 4502. Self-insured health plans.

''Sec. 4503. Transfer to accounts.

''Sec. 4504. Definitions and special rules.

''SEC. 4501. HEALTH INSURANCE AND HEALTH-RELATED ADMINISTRATIVE SERVICES.

''(a) IMPOSITION OF TAX.—There is hereby imposed—

''(1) on each taxable health insurance policy, a tax equal to 1.5 percent of the premiums received under such policy, and

''(2) on each amount received for health-related administrative services, a tax equal to 1.5 percent of the amount so received.

''(b) LIABILITY FOR TAX.—

''(1) HEALTH INSURANCE.—The tax imposed by subsection (a)(1) shall be paid by the issuer of the policy.

''(2) HEALTH-RELATED ADMINISTRATIVE SERVICES.—The tax imposed by subsection (a)(2) shall be paid by the person providing the health-related administrative services.

''(c) TAXABLE HEALTH INSURANCE POLICY.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided in this section, the term 'taxable health insurance policy' means any insurance policy providing accident or health insurance with respect to individuals residing in the United States.

''(2) EXEMPTION OF CERTAIN POLICIES.—The term 'taxable health insurance policy' does not include any insurance policy if substantially all of the coverage provided under such policy relates to—

''(A) liabilities incurred under workers' compensation laws,

''(B) tort liabilities,

''(C) liabilities relating to ownership or use of property,

''(D) credit insurance, or

''(E) such other similar liabilities as the Secretary may specify by regulations.

''(3) SPECIAL RULE WHERE POLICY PROVIDES OTHER COVERAGE.—In the case of any taxable health insurance policy under which amounts are payable other than for accident or health coverage, in determining the amount of the tax imposed by subsection (a)(1) on any premium paid under such policy, there shall be excluded the amount of the charge for the nonaccident or nonhealth coverage if—

''(A) the charge for such nonaccident or nonhealth coverage is either separately stated in the policy, or furnished to the policyholder in a separate statement, and

''(B) such charge is reasonable in relation to the total charges under the policy.

In any other case, the entire amount of the premium paid under such policy shall be subject to tax under subsection (a)(1).

''(4) TREATMENT OF PREPAID HEALTH COVERAGE ARRANGEMENTS.—

''(A) IN GENERAL.—In the case of any arrangement described in subparagraph (B)—

''(i) such arrangement shall be treated as a taxable health insurance policy,

''(ii) the payments or premiums referred to in subparagraph (B)(i) shall be treated as premiums received for a taxable health insurance policy, and

''(iii) the person referred to in subparagraph (B)(i) shall be treated as the issuer.

''(B) DESCRIPTION OF ARRANGEMENTS.—An arrangement is described in this subparagraph if under such arrangement—

''(i) fixed payments or premiums are received as consideration for any person's agreement to provide or arrange for the provision of accident or health coverage to residents of the United States, regardless of how such coverage is provided or arranged to be provided, and

''(ii) substantially all of the risks of the rates of utilization of services is assumed by such person or the provider of such services.

''(d) HEALTH-RELATED ADMINISTRATIVE SERVICES.—For purposes of this section, the term 'health-related administrative services' means—

''(1) the processing of claims or performance of other administrative services in connection with accident or health coverage under a taxable health insurance policy if the charge for such services is not included in the premiums under such policy, and

''(2) processing claims, arranging for provision of accident or health coverage, or performing other administrative services in connection with an applicable self-insured health plan (as defined in section 4502(c)) established or maintained by a person other than the person performing the services.

For purposes of paragraph (1), rules similar to the rules of subsection (c)(3) shall apply.

''SEC. 4502. SELF-INSURED HEALTH PLANS.

''(a) IMPOSITION OF TAX.—In the case of any applicable self-insured health plan, there is hereby imposed a tax for each month equal to 1.5 percent of the sum of—

''(1) the accident or health coverage expenditures for such month under such plan, and

''(2) the administrative expenditures for such month under such plan to the extent such expenditures are not subject to tax under section 4501.

In determining the amount of expenditures under paragraph (2), rules similar to the rules of subsection (d)(3) apply.

''(b) LIABILITY FOR TAX.—

''(1) IN GENERAL.—The tax imposed by subsection (a) shall be paid by the plan sponsor.

''(2) PLAN SPONSOR.—For purposes of paragraph (1), the term 'plan sponsor' means—

''(A) the employer in the case of a plan established or maintained by a single employer,

''(B) the employee organization in the case of a plan established or maintained by an employee organization, or

''(C) in the case of—

''(i) a plan established or maintained by 2 or more employers or jointly by 1 or more employers and 1 or more employee organizations,

''(ii) a voluntary employees' beneficiary association under section 501(c)(9), or

''(iii) any other association plan,

the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.

''(c) APPLICABLE SELF-INSURED HEALTH PLAN.—For purposes of this section, the term 'applicable self-insured health plan' means any plan for providing accident or health coverage if any portion of such coverage is provided other than through an insurance policy.

''(d) ACCIDENT OR HEALTH COVERAGE EXPENDITURES.—For purposes of this section—

''(1) IN GENERAL.—The accident or health coverage expenditures of any applicable self-insured health plan for any month are the aggregate expenditures paid in such month for accident or health coverage provided under such plan to the extent such expenditures are not subject to tax under section 4501.

''(2) TREATMENT OF REIMBURSEMENTS.—In determining accident or health coverage expenditures during any month of any applicable self-insured health plan, reimbursements (by insurance or otherwise) received during such month shall be taken into account as a reduction in accident or health coverage expenditures.

''(3) CERTAIN EXPENDITURES DISREGARDED.—Paragraph (1) shall not apply to any expenditure for the acquisition or improvement of land or for the acquisition or improvement of any property to be used in connection with the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be considered as expenditures.

''SEC. 4503. TRANSFER TO ACCOUNTS.

''For fiscal year 2002 and each subsequent fiscal year, there are hereby appropriated and transferred to the Medical Education Trust Fund under title XXII of the Social Security Act amounts equivalent to taxes received in the Treasury under sections 4501 and 4502, of which—

''(1) there shall be allocated and transferred to the Medical School Account of such Trust Fund an amount which bears the same ratio to the total amount available under section 2202(b)(1) of such Act for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred to such Trust Fund under this section bears to the total amounts transferred to such Trust Fund (excluding amounts transferred under subsections (c)(3) and (d) of section 2201 of such Act) for such fiscal year; and

''(2) the remainder shall be allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account and the Non-Medicare Teaching Hospital Direct Account of such Trust Fund, in the same proportion as the amounts transferred to such account under section 1886(m) of such Act relate to the total amounts transferred under such section for such fiscal year.

Such amounts shall be transferred in the same manner as under section 9601.

''SEC. 4504. DEFINITIONS AND SPECIAL RULES.

''(a) DEFINITIONS.—For purposes of this subchapter—

''(1) ACCIDENT OR HEALTH COVERAGE.—The term 'accident or health coverage' means any coverage which, if provided by an insurance policy, would cause such policy to be a taxable health insurance policy (as defined in section 4501(c)).

''(2) INSURANCE POLICY.—The term 'insurance policy' means any policy or other instrument whereby a contract of insurance is issued, renewed, or extended.

''(3) PREMIUM.—The term 'premium' means the gross amount of premiums and other consideration (including advance premiums, deposits, fees, and assessments) arising from policies issued by a person acting as the primary insurer, adjusted for any return or additional premiums paid as a result of endorsements, cancellations, audits, or retrospective rating. Amounts returned where the amount is not fixed in the contract but depends on the experience of the insurer or the discretion of management shall not be included in return premiums.

''(4) UNITED STATES.—The term 'United States' includes any possession of the United States.

''(b) TREATMENT OF GOVERNMENTAL ENTITIES.—

''(1) IN GENERAL.—For purposes of this subchapter—

''(A) the term 'person' includes any governmental entity, and

''(B) notwithstanding any other law or rule of law, governmental entities shall not be exempt from the taxes imposed by this subchapter except as provided in paragraph (2).

''(2) EXEMPT GOVERNMENTAL PROGRAMS.—

''(A) IN GENERAL.—In the case of an exempt governmental program—

''(i) no tax shall be imposed under section 4501 on any premium received pursuant to such program or on any amount received for health-related administrative services pursuant to such program, and

''(ii) no tax shall be imposed under section 4502 on any expenditures pursuant to such program.

''(B) EXEMPT GOVERNMENTAL PROGRAM.—For purposes of this paragraph, the term 'exempt governmental program' means—

''(i) the insurance programs established by parts A and B of title XVIII of the Social Security Act,

''(ii) the medical assistance program established by title XIX of the Social Security Act,

''(iii) any program established by Federal law for providing medical care (other than through insurance policies) to individuals (or the spouses and dependents thereof) by reason of such individuals being—

''(I) members of the Armed Forces of the United States, or

''(II) veterans, and

''(iv) any program established by Federal law for providing medical care (other than through insurance policies) to members of Indian tribes (as defined in section 4(d) of the Indian Health Care Improvement Act).

''(c) NO COVER OVER TO POSSESSIONS.—Notwithstanding any other provision of law, no amount collected under this subchapter shall be covered over to any possession of the United States.''.

(b) CLERICAL AMENDMENT.—The table of chapters for subtitle D of the Internal Revenue Code of 1986 is amended by inserting after the item relating to chapter 36 the following new item:

''CHAPTER 37. Health related assessments.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to premiums received, and expenses incurred, with respect to coverage for periods after September 30, 2001.

SEC. 6. MEDICAL EDUCATION ADVISORY COMMISSION.

(a) ESTABLISHMENT.—There is hereby established an advisory commission to be known as the Medical Education Advisory Commission (in this section referred to as the ''Advisory Commission'').

(b) DUTIES.—

(1) IN GENERAL.—The Advisory Commission shall—

(A) conduct a thorough study of all matters relating to—

(i) the operation of the Medical Education Trust Fund established under section 2201 of the Social Security Act (as added by section 2);

(ii) alternative and additional sources of graduate medical education funding;

(iii) alternative methodologies for compensating teaching hospitals for graduate medical education;

(iv) policies designed to maintain superior research and educational capacities in an increasing competitive health system;

(v) the role of medical schools in graduate medical education;

(vi) policies designed to expand eligibility for graduate medical education payments to children's hospitals that operate graduate medical education programs; and

(vii) policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals;

(B) develop recommendations, including the use of demonstration projects, on the matters studied under subparagraph (A) in consultation with the Secretary of Health and Human Services and the entities described in paragraph (2);

(C) not later than January 2003, submit an interim report to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Secretary of Health and Human Services; and

(D) not later than January 2005, submit a final report to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Secretary of Health and Human Services.

(2) ENTITIES DESCRIBED.—The entities described in this paragraph are—

(A) other advisory groups, including the Council on Graduate Medical Education and the Medicare Payment Advisory Commission;

(B) interested parties, including the Association of American Medical Colleges, the Association of Academic Health Centers, and the American Medical Association;

(C) health care insurers, including managed care entities; and

(D) other entities as determined by the Secretary of Health and Human Services.

(c) NUMBER AND APPOINTMENT.—The membership of the Advisory Commission shall include 9 individuals who are appointed to the Advisory Commission from among individuals who are not officers or employees of the United States. Such individuals shall be appointed by the Secretary of Health and Human Services, and shall include individuals from each of the following categories:

(1) Physicians who are faculty members of medical schools.

(2) Officers or employees of teaching hospitals.

(3) Officers or employees of health plans.

(4) Deans of medical schools.

(5) Such other individuals as the Secretary determines to be appropriate.

(d) TERMS.—

(1) IN GENERAL.—Except as provided in paragraph (2), members of the Advisory Commission shall serve for the lesser of the life of the Advisory Commission, or 4 years.

(2) SERVICE BEYOND TERM.—A member of the Advisory Commission may continue to serve after the expiration of the term of the member until a successor is appointed.

(e) VACANCIES.—If a member of the Advisory Commission does not serve the full term applicable under subsection (d), the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(f) CHAIR.—The Secretary of Health and Human Services shall designate an individual to serve as the Chair of the Advisory Commission.

(g) MEETINGS.—The Advisory Commission shall meet not less than once during each 4-month period and shall otherwise meet at the call of the Secretary of Health and Human Services or the Chair.

(h) COMPENSATION AND REIMBURSEMENT OF EXPENSES.—Members of the Advisory Commission shall receive compensation for each day (including travel time) engaged in carrying out the duties of the Advisory Commission. Such compensation may not be in an amount in excess of the maximum rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(i) STAFF.—

(1) STAFF DIRECTOR.—The Advisory Commission shall, without regard to the provisions of title 5, United States Code, relating to competitive service, appoint a Staff Director who shall be paid at a rate equivalent to a rate established for the Senior Executive Service under 5382 of title 5, United States Code.

(2) ADDITIONAL STAFF.—The Secretary of Health and Human Services shall provide to the Advisory Commission such additional staff, information, and other assistance as may be necessary to carry out the duties of the Advisory Commission.

(j) TERMINATION OF THE ADVISORY COMMISSION.—The Advisory Commission shall terminate 90 days after the date on which the Advisory Commission submits its final report under subsection (b)(1)(D).

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. 7. DEMONSTRATION PROJECTS.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish, by regulation, guidelines for the establishment and operation of demonstration projects which the Medical Education Advisory Commission recommends under section 6(b)(1)(B).

(b) FUNDING.—

(1) IN GENERAL.—For any fiscal year after 2001, amounts in the Medical Education Trust Fund under title XXII of the Social Security Act shall be available for use by the Secretary in the establishment and operation of demonstration projects described in subsection (a).

(2) FUNDS AVAILABLE.—

(A) LIMITATION.—Not more than 1/10 of 1 percent of the funds in such Trust Fund shall be available for the purposes of paragraph (1).

(B) ALLOCATION.—Amounts under paragraph (1) shall be paid from the accounts established under paragraphs (2) through (5) of section 2201(a) of the Social Security Act, in the same proportion as the amounts transferred to such accounts bears to the total of amounts transferred to all 4 such accounts for such fiscal year.

(c) LIMITATION.—Nothing in this section shall be construed to authorize any change in the payment methodology for teaching hospitals and medical schools established by the amendments made by this Act.

Mrs. CLINTON. Mr. President, I rise today to ask my colleagues to join me in ensuring that we maintain a steady stream of funding for the crown jewels of our health care system, out Nation's teaching hospitals. I deeply appreciate Senator REED's leadership on this issue and I am proud to join him and other colleagues as an original cosponsor of this important legislation.

Teaching hospitals play a vital role in our Nation's health care system, both in treatment and research, helping to make our system one of the finest in the world. New York City, for example, leads the world in the number and quality of academic health centers, teaching hospitals, and related medical institutions.

I have long supported academic health center and teaching hospitals, because their work is so essential to our communities. We rely on them to train physicians and nurses, care for the sickest of the sick and the poorest of the poor, and engage in research and clinical trials. Thanks to the research, for example, at Memorial Sloan-Kettering, cancer patients will suffer less while receiving chemotherapy because of a drug that was developed there. And a drug that allows balloon angiplasty to save lives was developed at SUNY Stony Brook.

As my predecessor and friend, Senator Daniel Patrick Moynihan, who I am so honored to be following in the footsteps of, put it so well a few years ago, ''We are in the midst of a great era of discovery in the medical science. It is certainly not a time to close medical schools. This great era of medical discovery is occurring right here in the United States, not in Europe like past ages in scientific discovery. And it is centered in New York City.''

But our Nation's teaching hospitals are at risk. Cuts to Medicare have lowered reimbursements for teaching hospitals and another reduction, which I will work with my colleagues to prevent, is scheduled to take place next year. Teaching hospitals have higher costs not only because of the training functions they perform, but also because they treat patients who require some of the most costly procedures and require longer hospital stays. In addition, the use of advanced technology and presence of experts in various fields also add to teaching hospitals' expenses.

All of us, who rely on the expertise of our doctors, and have access to new technologies, as well as the state-of-the-art services academic medical centers and teaching hospitals offer, benefit from the creation of a trust fund to ensure a steady stream of funds dedicated for these purposes. Some states, including mine, have sought to address these funding needs themselves. However, as Senator Moynihan also pointed out, New York State's GME fund was created as a temporary solution until a Federal fund could be created.

I urge my colleagues in joining me with their support for this critical investment in our teaching hospitals so that they can continue to lead the world in training highly-qualified medical professionals, and generating the state-of-the-art research and treatment that enables our Nation's health care system to flourish.

By Mrs. HUTCHISON (for herself, Mr. LIEBERMAN, and Mr. FEINGOLD):

S. 744. A bill to amend section 527 of the Internal Revenue Code of 1986 to eliminate notification and return requirements for State and local candidate committees and avoid duplicate reporting by certain State and local political committees of information required to be reported and made publicly available under State law; to the Committee on Finance.

Mrs. HUTCHISON. Mr. President, I am pleased to introduce today a bill with Senators LIEBERMAN and FEINGOLD that would address a concern that has been raised by state legislators in Texas and across the country.

Last year Congress enacted the Full and Fair Political Activities Disclosure Act of 2000, Public Law 106–230, a law that imposed new IRS reporting requirements on political organizations claiming tax-exempt status under section 527 of the Internal Revenue Code. The purpose of this law was to uncover so-called ''stealth PACs,'' tax-exempt groups which, prior to the enactment of this law, did not have to disclose any contributions or expenditures and were free to influence elections in virtual anonymity.

While Public Law 106–230 was intended to target ''stealth PACs,'' it has had the unintended consequence of imposing burdensome and duplicative reporting requirements on state and local candidates who are not involved in any Federal election activities. In many states like Texas, State and local candidates already file detailed reports with their state election officials.

To correct this problem, I am introducing legislation that would exempt state and local candidates from the IRS reporting requirements of Public Law 106–230. This bill is the product of an agreement that was worked out among Senator LIEBERMAN, Senator FEINGOLD, Senator DODD, Senator MCCAIN, Senator MCCONNELL, and myself.

I originally intended to offer this legislation as an amendment to S. 27, the McCain-Feingold campaign finance bill. Unfortunately, since this particular legislation impacts the Internal Revenue Code, I was unable to offer it at that time without the possibility of invoking a blue slip from the Ways and Means Committee.

Last week, I spoke with the chairman of the Ways and Means Committee

about this issue, and he assured me that he would seek to address this issue in his committee. In this vein, I would like to ask the Senator from Iowa, the chairman of the Finance Committee, if he also will work with me to address this problem in the context of the tax bill this year.

Mr. GRASSLEY. Yes, I would be pleased to work with the Senator from Texas on this matter, and pledge my good faith to give serious consideration to including language that meets her concerns in an appropriate tax bill in the near future.

Mrs. HUTCHISON. I'd like to thank the distinguished chairman of the Finance Committee, and I look forward to working with him.

Mr. LIEBERMAN. Mr. President, I am pleased to cosponsor this bill, and I thank my colleague, the Senator from Texas, for working with me to draft this bill in a manner that achieves its purpose, but does not open any loopholes in the original section 527 reform law.

Last year, Congress passed the first significant campaign finance reform measure in a quarter of a century. The so-called section 527 reform bill dealt with a truly troubling development, one whereby organizations that received tax-exempt status by telling the IRS that they existed to influence elections denied the very same thing to the FEC. As a result, these self-proclaimed election organizations engaged in election activity without complying with any aspect of the election laws, influencing our elections without the American public having any idea who, or what, was behind them.

Our law put a stop to that, by requiring organizations claiming tax-exempt status under section 527 of the Internal Revenue Code to do three things: 1. give notice of their intent to claim that status; 2. disclose information about their large contributors and their big expenditures; and 3. file annual informational returns along the lines of those filed by virtually all other tax-exempt organizations.

During the nine months or so that the 527 reform law has been in effect, that law has blasted sunshine onto the previously shadowy operations of a multitude of election-related organizations. Through the filings mandated by that law, the American public has learned a great deal about who is financing many of these organizations and how these organizations are spending their money.

But the law has had another impact, and that is to impose new reporting requirements on a group of organizations that already fully disclose to the public all of the activities covered by the 527 reform law. This bill gives relief to those organizations. In particular it grants relief from the 527 reform law to two categories of organizations that are involved exclusively in State and local elections and that already fully disclose their activities. I thank my colleague from Texas for working with me to ensure that we accomplish that goal without opening up any loopholes in the 527 reform law that will allow undisclosed money to reenter our election system.

First, the bill provides new exemptions for State and local candidate committees. Under the reform law, committees of candidates for State or local office have to notify the IRS of their intent to claim section 527 status, and they have to file annual informational returns if they have over $25,000 in gross receipts. Since the reform law went into effect, we have become convinced that the burden these requirements impose on State and local candidate committees outweigh the public purpose served by requiring them to comply with these mandates.

In contrast to other types of political committees, State and local candidate committees often are not permanent organizations. They often crop up a few months before an election and then cease to exist shortly after the election. They are often staffed by volunteers and run on a shoe string budget. Any new paperwork requirement—regardless of how reasonable it may be in other contexts—can put a significant burden on these minimally staffed and often short-lived committees.

At the same time, State and local candidate committees do not pose the threats the 527 law intended to address. In contrast to other political committees, there is never any doubt as to who is running the candidate committee and as to whose agenda the candidate committee aims to promote. Just as importantly, State laws regulate and require disclosure from all candidate committees.

We therefore have concluded that even though we do not believe the 527 reform law's mandates to be particularly burdensome in general, State and local candidate committees present a special case, one that warrants exempting them from the reform law's requirements to file a notice of intent to claim section 527 status and to file an annual return even if the organization does not have taxable income. I note, though, that these organizations still will have to file and make public annual returns if they have taxable income.

The second group to which we are granting a lesser degree of relief is a very carefully defined group of so-called State and local PACs. In granting this relief, we have walked a very fine line. On one hand, we want to recognize the fact that every State requires disclosure from political committees involved in that State's elections and that many State and local PACs covered by the 527 reform law therefore are already disclosing the information the 527 law seeks to State agencies. On the other hand, we still believe that there is a strong public interest in knowing how the federal tax-exemption under section 527 is being used by these organizations, and we most decidedly do not want to exempt from the law's disclosure requirements any State or local PAC that does not otherwise publicly disclose all of its activities.

To exempt a State or local PAC merely because it claims that it is involved only in State elections and files information about some of its activities with a State agency would risk creating a massive loophole that could undermine the 527 reform law. That is because just as prior to the passage of the 527 reform law, some 527 groups were claiming that they were trying to influence elections for the purposes of the tax code, but not for the purposes of the election laws, a broad exemption for State or local PACs could lead some groups to claim that they are influencing State elections for the purposes of section 527 but not for the purposes of the State disclosure laws.

So, we have reached the following compromise. First, we are not exempting any of these organizations from the section 527(i) notice requirements. Unlike candidate committees, PACs generally are not transient, volunteer-staffed organizations, and it is not always clear to the public who is behind these groups. Moreover, because we are not completely exempting these groups from the law's other disclosure requirements, the notice requirement will be critical in helping the IRS and outside groups monitor compliance with the law's other mandates. In light of that, we believe the minimal effort required to file the 527(i) notice is worth the tremendous value of giving the public some basic information about these groups.

Second, we are granting an exemption from the section 527(j) contribution and expenditure reporting requirements to some of these organizations, but only if they can meet certain strict requirements. The group's so-called exempt function activity must focus exclusively on State or local elections. The group must file with a State agency information on every contribution and expenditure it would otherwise be required to disclose to the IRS. In addition, these State filings must be pursuant to a State law that requires these groups to file the State reports; this requirement seeks to prevent organizations from hiding truly federal activity by voluntarily reporting to a State where reports may not be as readily accessible as are federal reports. Moreover, no group will be able to take advantage of this exemption if the State reports its files are not publicly available both from the State agency with which the report is filed and from the group itself. Finally, this exemption also is not available to any organization in which a candidate for federal office or someone who holds elected federal office plays a role—whether through helping to run the organization, soliciting money for the organization or deciding how the organization spends its money. In short, this bill exempts from 527(j) reporting obligations only those groups that truly and legitimately engage in exclusively State and

local activity and only when they already report publicly on all of the information the 527 law seeks.

Finally, the bill makes a small change to these State and local groups' obligation to file an annual information return when they do not have taxable income. Under the current law, they must file such returns when they have $25,000 in annual receipts; the bill increases that trigger to $100,000. Like all other 527 organizations, though, they still will have to file such returns if they have taxable income.

Again, let me thank Senator HUTCHISON for her efforts on this bill. I believe we have worked out a good compromise, one that grants relief where it is warranted, but does not in any way threaten to open up a loophole in the law. I thank her for that, and I yield the floor.

Mr. FEINGOLD. Mr. President, I am pleased to join Senators HUTCHINSON and LIEBERMAN in cosponsoring this bill.

Our enactment of the 527 disclosure legislation last year was an important step toward breaking the logjam on campaign finance reform. It showed that we could come together to pass commonsense reforms that give the public more information about and more confidence in the political process. Since that law went into effect, we have heard legitimate complaints from state and local candidates and PACs, which are in fact exempt from taxation under section 527 of the Internal Revenue Code, about the burden of complying with the notification and reporting requirements of the law.

Senator HUTCHINSON brought this issue to the fore by offering an amendment to the campaign finance bill that we passed on Monday. I very much appreciate her willingness to withdraw that amendment so we could work out the details together and avoid creating a blue-slip problem with the House that might delay the overall campaign finance bill.

The challenge was to address the legitimate concerns raised by state candidates and PACs without opening new loopholes in the law so soon after its enactment. Particularly as we stand poised to enact even more far reaching reforms in the McCain-Feingold bill, it is extremely important that we not weaken existing law in a way that might be exploited by groups wanting to avoid the sunshine that the 527 disclosure law provided. I believe that the Senator from Texas and the Senator from Connecticut have successfully negotiated this difficult terrain. I am proud to support this bill, and I hope it will be quickly enacted.

By Mr. LEAHY (for himself, Mr. JEFFORDS, Mr. FEINGOLD, Mr. BINGAMAN, and Mr. DODD):

S. 745. A bill to amend the Child Nutrition Act of 1966 to promote better nutrition among school children participating in the school breakfast and lunch programs; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. LEAHY. Mr. President, I am today introducing a simple, yet forceful, bill designed to address a growing problem among school children. I am tired of major soft drink companies trying to take school lunch money away from children.

It is one thing for the school bully to take lunch money from school kids, it is another for Coca-Cola or Pepsi to take it. In some areas, school scoreboards and school uniforms are now plastered with soda ads under exclusive contracts with vending machines all over the place.

According to a report issued by the Center for Science in the Public Interest, 20 years ago boys consumed more than twice as much milk as soda, and girls 50 percent more; now boys and girls consume twice as much soft drink as they do milk.

I had a huge battle with Coca-Cola in 1994 when they tried to derail my child nutrition bill—''The Better Nutrition and Health for Children Act'' because I wanted schools to know they had the right to ban soda vending machines if they chose.

That 1994 controversy began when Coca-Cola sent out letters to school authorities around the country misrepresenting my bill. They were resorting to scare tactics instead of honest debate. The letter sent by Coca-Cola made numerous false allegations including that soft drinks are USDA-approved. That was not, and is still not true.

The controversy now is over exclusive contracts with soda manufacturers so they get to blanket schools with soda vending machines and signs advertising their products. Also, in some schools sodas are actually being given away to children during lunch.

For schools participating in the national school lunch program I want the vending machines turned off during lunch on all school grounds—it is that simple. During lunch, I do not want sodas sold to school children by the school. And the Secretary of Agriculture should carefully consider, based on sound nutritional science, whether to turn off the soda vending machines and stop soft drink sales before lunch.

You don't have to be a scientist to know that eating habits learned in childhood translate into a longer and healthier life. Leaving the vending machines on during lunch sets a bad example, and tempts children to spend their lunch money.

Soft drinks are a $60 billion a year industry. The fancy commercials and big-time advertising rake in huge profits for the soda manufacturers.

Children don't vote, children don't hand out large sums of PAC money, children don't hire expensive lobbyists. But I have always put the welfare of children ahead of corporate profits, and I always will.

Coca-Cola recently announced that they will encourage other soda manufacturers to stop the practice of negotiating exclusive soda contracts with schools. That does not solve the program. The issue is not which company is selling the sodas, but whether the sodas should be sold at all, before and during lunch. Doing away with exclusive contracts could just mean more soda vending machines in schools.

This is not the way for schools to raise money.

My bill would ban the sale of soda and ''pure-sugar'' candies such as cotton candy, gum balls, licorice, and the like, to school children in school during the lunch period and during breakfast. It would also prohibit the practice in some schools of giving away soda during lunch.

For the period after breakfast and before lunch, the bill would mandate that the Secretary of Agriculture take into account the nutritional health of children and design a rule based on ''sound nutritional science'' that could ban the sale (or donation) of sodas and similar high-sugar foods, throughout school property or on some portions of school property. The bill would permit the Secretary to leave the current approach intact—which would allow such sales if the school wanted.

In this nutritional health analysis, the Secretary would have to consider what foods, such as milk or juices, are most likely to be displaced by the consumption of sodas before and during lunch. The Secretary would also have to weigh the low nutritional value of sodas as compared to soda substitutes such as juice or milk.

A recent study published in The Lancet concluded that for each glass of sugar-sweetened drink consumed by a child, their risk of becoming obese increased 1.6 times. It was also recently reported that soda consumption negatively impacts the ability of a child to meet their daily requirements for calcium, vitamin A, and magnesium. Variations in the amount of calcium consumed during childhood can result in decreased bone mass which may lead to a 50 percent greater risk of hip fracture in later years.

I recently heard from one of my constituents on this issue while Jenny Dorman is only in 6th grade, she has a great deal of wisdom for her age. Her letter gets right to the point on this important issue of how soda consumption impacts health. I ask unanimous consent that her letter be included in the RECORD.

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

DEAR SENATOR LEAHY, I was getting ready for school when my mom told me to look at your article. I want to tell you that I'm with you 100 percent. I used to be a soda addict, and would drink nothing else. Last year in health class the teacher taught us what soda does to your bones. There is 2 percent of calcium in your bones, 1 percent in your teeth, the other 1 percent is in your blood. Soda robs your bones of calcium. If there isn't enough calcium in your blood, your body goes to your bones, where

lots of calcium is found. If the soda and your body keeps taking calcium, your bones will get really brittle and easy to break. When you're old you can be very liable to have osteoporosis. Once I learned that, I stopped drinking soda altogether. Now I only drink water, milk, and once in a while juice. I'm in 6th grade now and I haven't had soda for over a year! I haven't had it in so long that even if I get a tiny bit of soda I get a sick feeling inside. Now I'm desperately trying to get the rest of my family off it by switching Sprite with water. Ha Ha!

JENNY DORMAN,
Stockbridge School.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 746. A bill to express the policy of the United States regarding the United States relationship with Native Hawaiians and to provide a process for the recognition by the United States of the Native Hawaiian governing entity, and for other purposes; to the Committee on Indian Affairs.

Mr. AKAKA. Mr. President, I rise today to introduce a bill with my friend and colleague, the senior Senator from Hawaii, Mr. INOUYE which would clarify the political relationship between Native Hawaiians and the United States. This measure would extend the federal policy of self-determination and self-governance to Hawaii's indigenous, native peoples, Native Hawaiians, thereby establishing parity in federal policies towards Native Hawaiians, Alaska Natives and American Indians.

The bill we introduce today is a modified version of legislation we introduced on January 22, 2001. This modified version improves upon our efforts to clarify the political relationship between Native Hawaiians and the United States. Federal policy towards Native Hawaiians has closely paralleled that of our indigenous brothers and sisters, the Alaska Natives and American Indians. This bill provides a process for federal recognition of the Native Hawaiian governing entity for a government-to-government relationship with the United States.

This bill does three things. First it provides a process for federal recognition of the Native Hawaiian governing entity. Second, it establishes an office within the Department of the Interior to focus on Native Hawaiian issues and to serve as a liaison between Native Hawaiians and the Federal government. Finally, it establishes an interagency coordinating group to be composed of representatives of federal agencies which administer programs and implement policies impacting Native Hawaiians.

This measure does not establish entitlements or special treatment for Native Hawaiians based on race. This measure focuses on the political relationship afforded to Native Hawaiians based on the United States' recognition of Native Hawaiians as the aboriginal, indigenous peoples of Hawaii. As we all know, the United States' history with its indigenous peoples has been dismal. In recent decades, however, the United States has engaged in a policy of self-determination and self-governance with its indigenous peoples. Government-to-government relationships provide indigenous peoples with the opportunity to work directly with the federal government on policies affecting their lands, natural resources and many other aspects of their well-being. While federal policies towards Native Hawaiians have paralleled that of Native American Indians and Alaska Natives, the federal policy of self-determination and self-governance, has not yet been extended to Native Hawaiians. This measure extends this policy to Native Hawaiians, thus furthering the process of reconciliation between Native Hawaiians and the United States.

This measure does not impact program funding for American Indians and Alaska Natives. Federal programs for Native Hawaiian health, education and housing are already administered by the Departments of Health and Human Services, Education, and Housing the Urban Development. The bill I introduce today contains a provision which makes clear that this bill does not authorize eligibility for participation in any programs and services provided by the Bureau of Indian Affairs.

This bill does not authorize gaming in Hawaii. In fact, it clearly states that the Indian Gaming Regulatory Act, IGRA, does not apply to the Native Hawaiian governing entity. Hawaii is one of two states in the Union which criminally prohibits all forms of gaming. Therefore, I want to make clear that this bill would not authorize the Native Hawaiian governing entity to conduct any type of gaming in Hawaii.

Finally, this measure does not preclude Native Hawaiians from seeking alternatives in the international arena. This measure focuses on self-determination within the framework of federal law and seeks to establish equality in the federal policies extended towards American Indians, Alaska Natives and Native Hawaiians.

We introduced similar legislation during the 106th Congress. While the bill was passed by the House of Representatives, the Senate failed to consider it prior to the adjournment of the 106th Congress. The legislation was widely supported by our indigenous brethren, American Indians and Alaska Natives. It was also supported by the Hawaii State Legislature which passed a resolution supporting a government-to-government relationship between Native Hawaiians and the United States. Similar resolutions were passed by the Japanese American Citizens' League and the National Education Association.

Mr. President, when most people think of Hawaii, they think of paradise. I agree, it is paradise. However, the essence of Hawaii is captured not by the physical beauty of its islands, but by the beauty of its people. Those who have lived in Hawaii have a unique demeanor and attitude which is appropriately described as the ''Aloha'' spirit. The people of Hawaii demonstrate the Aloha spirit through their actions—through their generosity, through their appreciation of the environment and natural resources, through their willingness to care for each other, through their genuine friendliness.

The people of Hawaii share many ethnic backgrounds and cultures. This mix of culture and tradition is based on the unique history of Hawaii. The Aloha spirit is generated from the pride we all share in the culture and tradition of Hawaii's indigenous, native peoples, the Native Hawaiians. Hawaii's state motto, ''Ua mau ke'ea 'o ka 'aina i ka pono,'' which means ''the life of the land is perpetuated in righteousness,'' captures the culture of Native Hawaiians. Prior to western contact, Native Hawaiians lived in an advanced society, in distinct and structured communities steeped in science. The Native Hawaiians honored their aina, land, and environment, and therefore developed methods of irrigation, agriculture, aquaculture, navigation, medicine, fishing and other forms of subsistence whereby the land and sea were efficiently used without waste or damage. Respect for the environment formed the basis of their culture and tradition. It is from this culture and tradition that the Aloha spirit, which is demonstrated throughout Hawaii, by all of its people, has endured and flourished.

In 1978, the people of Hawaii acted to preserve Native Hawaiian culture and tradition by amending Hawaii's state constitution to establish the Office of Hawaiian Affairs to give expression to the right of self-determination and self-governance at the state level for Hawaii's indigenous peoples, Native Hawaiians. Starting with statehood, Hawaii endeavored to address and protect the rights and concerns of Hawaii's indigenous peoples in accordance with authority delegated under federal policy. The constraints of this approach are evident. This bill extends the federal policy of self-determination and self-governance to Native Hawaiians at the federal level through a government-to-government relationship with the Native Hawaiian governing entity.

This measure is not being introduced to circumvent the 1999 United States Supreme Court decision in the case of Rice v. Cayetano. The Rice case was a voting rights case whereby the Supreme Court held that the State of Hawaii must allow all citizens of Hawaii to vote for the Board of Trustees of a quasi-state agency, the Office of Hawaiian Affairs.

The Office of Hawaiian Affairs was established by citizens of the State of Hawaii as part of the 1978 State of Hawaii Constitutional Convention. The Office of Hawaiian Affairs administers

programs and services for Native Hawaiians. The State constitution provided for nine trustees who were Native Hawaiian to be elected by Native Hawaiians. Following the Supreme Court's ruling in Rice v. Cayetano, the elections were not only open to all citizens in the State of Hawaii, but non-Hawaiians were deemed eligible to serve on the Board of Trustees. Whereas the Rice case dealt with voting rights and the State of Hawaii, the measure we introduce today addresses the federal policy of self-determination and self-governance and does not involve the Office of Hawaiian Affairs.

This measure is critical to the people of Hawaii as it begins a process to address many longstanding issues facing Hawaii's indigenous peoples and the State of Hawaii. By addressing and resolving these matters, we begin a process of healing, a process of reconciliation not only within the United States, but within the State of Hawaii. The time has come for us to be able to address these deeply rooted issues in order for us to be able to move forward as one.

I cannot emphasize how important this measure is for the people of Hawaii. While Hawaii will always be known for its physical beauty, its true essence is in its people. The time has come to provide Hawaii's indigenous peoples with the opportunity to engage in a government-to-government relationship with the United States. I look forward to working with my colleagues to enact this critical measure.

By Mrs. BOXER:

S. 747. A bill to authorize the Attorney General to make grants to local educational agencies to carry out school violence prevention and school safety activities in secondary schools; to the Committee on the Judiciary.

Mrs. BOXER. Mr. President, we have seen three shootings and watched three young children lose their lives in the past four weeks. Two of these were in my state of California; the latest shooting was in my colleagues' state of Indiana. These shootings have been terrifying for all of us, children, parents, community members, and the nation as a whole. We must stop these acts of violence, now. We cannot wait for another young life to slip through our hands.

These incidents have reminded us that no place is safe from gun violence. Principals think about the safety of their schools every day; parents worry about the safety of their children's classrooms every day; and children walk to school unsure of their own safety every day. This is sad, but this is the reality.

Today I am proposing to change this reality. My bill reaffirms our commitment to school safety by creating a permanent School Safety Fund. This Fund will allow the Attorney General to provide grants to school districts so that they can create their own comprehensive school safety strategies, incorporating both violence prevention and school safety activities.

What might be included in these safety strategies?

Schools could establish hotlines and tiplines, so that students could anonymously report potentially dangerous situations. They could hire more community police officers and purchase security equipment. I would argue that all schools could use more counselors, psychologists, and school social workers, these funds will help hire them. Schools could use the funds to train teachers and administrators to identify the early warning signs of troubled youth. They could also use the funds to teach our students conflict resolution programs, and to set up a mentoring program for students.

The bottom line is clear: each school needs to decide the extent of its problem, and decide what solution would be best for its community. My bill gives school districts the leeway they need to deal with school safety, providing federal funds to attack school violence where it happens: in the schools.

This approach, in and of itself, is not a novel idea. Since 1999, the federal government has funded a program called ''Safe Schools Initiative.'' A collaboration between the Department of Justice, the Department of Education, and the Department of Health and Human Services, Safe Schools provides grants to school districts to do the activities I outlined above. In fact, 77 school districts have already been awarded funds. Why, then, is my bill necessary?

My bill does two important things. One, it writes this program into law. Currently, the Appropriations Committee decides year-to-year whether to fund this initiative. This program is important—important enough to warrant an authorization. My amendment codifies these grants through fiscal year 2006.

Second, and perhaps most important, my bill speaks to how these grants are funded. All funding would come directly from the Violent Crime Reduction Trust Fund. And rather than set a specific authorization level—rather than pull a number out of thin air and declare that number the ''need'', my bill would give discretion to the Attorney General to decide how many grants should be awarded, and how much money each grantee should receive.

For example, if a crisis arises, the Attorney General has the flexibility to distribute grants as he sees fit. He does not have to wait for Congress to act, or watch as Congress fails to act. He can identify the need, and address it immediately. On the flip side, if school safety problems improve, as all of us hope, then the Attorney General can spend less on school safety. Again, it is up to his discretion.

You know as well as I do that school safety is a serious problem. We cannot simply stand by the wayside and allow violence to continue disrupting the lives of students and communities. My bill recognizes the widespread reach of these violent outbreaks, and tells communities that the federal government will not fail them. Communities are eager to protect their schoolchildren, and this bill will give them an opportunity to do so.

By Mrs. BOXER:

S. 748. A bill to make schools safer by waiving the local matching requirement under the Community Policing program for the placement of law enforcement officers in local schools; to the Committee on the Judiciary.

Mrs. BOXER. Mr. President, last month there were two school shootings in my state. A mere seventeen days and six miles away from each other, they claimed the lives of two students and wounded eighteen others. These shootings were terrible tragedies for their communities, and a painful reminder of the fragile security of our nation's schools.

To combat these tragic acts of violence, many schools employ safety strategies that protect the millions of children, teenagers and adults that attend them every single day. The federal government plays a role in many of these programs. My amendment speaks to one of them: COPS In Schools.

Although we passed the COPS program in 1994, it was not until 1998 that the Department of Justice created a specific COPS In Schools program. Since then, nearly 3,800 police officers have been placed in 1,800 school districts across the nation. California alone has put 270 new police officers in schools across the state.

Unfortunately, not all schools are so lucky. At the time of last month's shooting at Santana High School in Santee, California, the school happened by pure luck to have two law enforcement officials near campus. The shooting spree at Santana High School lasted a mere six minutes. In this time, more than 30 rounds were shot, two teenagers were killed, and 13 people were wounded. It is dreadful to imagine what might have happened if the police had not responded so quickly.

An even more poignant situation, which underscored the absolutely vital role police officers play in our nation's schools, was the school shooting in El Cajon, California. This time, there were no deaths. A police officer—who had been stationed at Granite Hills High School after the Santana High School shooting occurred—responded immediately after hearing gunshots and managed to stop the shooter from claiming innocent lives. Had a police officer not been on campus, we may have been counting fatalities instead of injuries.

Make no mistake, the police officers put in schools by the COPS In Schools program are not there to simply patrol the hallways, nor are they there to make schools feel like prisons. Police officers in schools serve an important purpose: they work with school staff to develop anti-crime policies on campus,

implement procedures to ensure a safer school environment, and reassure parents that a police officer is there to deal with those students that might cause problems.

Local governments are required to provide 25 percent of the funding to hire these police officers, unless the Attorney General grants them a waiver. Under Attorney General Janet Reno, communities routinely received federal funding to hire police officers for schools without having to contribute matching funds. This was extremely generous, and I am hopeful that this policy will continue.

To ensure that it does, my bill permanently waives the local matching fund requirement for placing a police officer in a school. No child, teenager or adult attending one of America's public schools should be put in danger simply because of a lack of funding. Communities should be able to put police officers in their schools, period. My bill will allow them to do just that.

We know that having police officers in schools works. They help ensure the safety of our schools, our schoolchildren and our faculty every single day. I encourage my colleagues to show their commitment to our students by supporting this bill.

By Mr. FITZGERALD (for himself, Mr. SCHUMER, Mr. JEFFORDS, Mr. BINGAMAN, Mr. DEWINE, Mrs. CLINTON, Ms. COLLINS, Mr. LIEBERMAN, Mr. MCCAIN, Mr. KERRY, Mrs. FEINSTEIN, Ms. SNOWE, Mrs. BOXER, Mr. SMITH of Oregon, and Mr. TORRICELLI):

S. 749. A bill to provide that no Federal income tax shall be imposed on amounts received by victims of the Nazi regime or their heirs or estates, and for other purposes; to the Committee on Finance.

Mr. FITZGERALD. Mr. President, today I am introducing the Holocaust Survivors Tax Fairness Act of 2001. This important legislation would prevent the federal government from imposing the federal income tax on Holocaust restitution or compensation payments that victims of their heirs may receive.

More than 50 years after the end of World War II, many banks and companies in Europe are beginning to return stolen assets to survivors of the Holocaust and their heirs. In August of 1998, two of the largest banks in Switzerland agreed to distribute $1.25 billion as restitution for assets wrongfully withheld during the Nazi reign. And in February of 1999, the German government agreed to establish a fund to compensate victims of the Holocaust. The legislation I am introducing ensures that the beneficiaries of these settlements and other Holocaust restitution or compensation arrangements can exclude the proceeds from taxable income on their federal income tax forms.

Holocast survivors and their families have lived through unspeakable tragedies. While the restitution settlements pale in comparison to what they have lost, this measure ensures that survivors can keep all of what was returned to them without being unnecessarily burdened by taxes.

The Congress must send a clear message that to allow the federal government to tax away any reparations obtained by Holocaust survivors or their families because of their persecution by the Nazis or their sympathizers is simply unacceptable. Given that the average age of Holocaust survivors now exceeds 80 years of age, we believe it is imperative that the Congress act now to prevent the federal government from attempting to tax this money.

Similar legislation was agreed to by the Senate as an amendment to the Taxpayer Refund Act of 1999. The provision was retained in conference and included in the Taxpayer Refund and Relief Act of 1999. The final bill was vetoed, however, preventing this important provision regarding Holocaust reparations from becoming law.

After over 50 years of injustice, Holocaust survivors and their families are reclaiming what is rightfully theirs. Even as we support these efforts to reclaim stolen property, we must do our part in protecting the proceeds.

By Mr. BIDEN:

S. 750. A bill to amend the Internal Revenue Code of 1986 to provide the same tax treatment for danger pay allowance as for combat pay; to the Committee on Finance.

Mr. BIDEN. Mr. President, today I introduce a bill which would right a wrong, a small wrong, but a wrong nevertheless. It affects a handful of our nation's diplomats who serve in the world's most dangerous places: places like Bosnia and Lebanon. Our diplomats serve in some pretty difficult places, often in harm's way, just as our soldiers do.

These diplomats who serve in the most dangerous places receive a special allowance, which is aptly called ''danger pay.'' This allowance is not unlike that paid to our military when they are in combat. In fact, in some places where our military and diplomatic personnel serve side by side, both receive a special allowance for their sacrifices.

The military justifiably receives this benefit tax-free. But our diplomatic personnel do not. Through an oversight in the Internal Revenue code, diplomats are taxed on their danger pay, even though they often face similar hardships and dangers. I think that's wrong.

The bill I introduce today, I have a bill which would right this wrong. It affects just a handful of people. But to them it will serve as recognition of the sacrifice they make when they represent the American people in dangerous places overseas.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 750

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF DANGER PAY ALLOWANCE.

(a) IN GENERAL.—Subchapter C of chapter 80 of the Internal Revenue Code of 1986 (relating to provisions affecting more than one subtitle) is amended by adding at the end the following:

''SEC. 7874. TREATMENT OF DANGER PAY ALLOWANCE.

''(a) GENERAL RULE.—For purposes of the following provisions, a danger pay allowance area shall be treated in the same manner as if it were a combat zone (as determined under section 112):

''(1) Section 2(a)(3) (relating to special rule where deceased spouse was in missing status).

''(2) Section 112 (relating to the exclusion of certain combat pay of members of the Armed Forces).

''(3) Section 692 (relating to income taxes of members of Armed Forces on death).

''(4) Section 2201 (relating to members of the Armed Forces dying in combat zone or by reason of combat-zone-incurred wounds, etc.).

''(5) Section 3401(a)(1) (defining wages relating to combat pay for members of the Armed Forces).

''(6) Section 4253(d) (relating to the taxation of phone service originating from a combat zone from members of the Armed Forces).

''(7) Section 6013(f)(1) (relating to joint return where individual is in missing status).

''(8) Section 7508 (relating to time for performing certain acts postponed by reason of service in combat zone).

''(b) DANGER PAY ALLOWANCE AREA.—For purposes of this section, the term 'danger pay allowance area' means any area in which an individual receives a danger pay allowance under section 5928 of title 5, United States Code, for services performed in such area.''

(b) CONFORMING AMENDMENT.—The table of sections for subchapter C of chapter 80 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''Sec. 7874. Treatment of danger pay allowance.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration paid in taxable years ending after the date of the enactment of this Act.

By Mrs. CLINTON:

S. 751. A bill to express the sense of the Senate concerning a new drinking water standard for arsenic; to the Committee on Environment and Public Works.

Mrs. CLINTON. Mr. President, when Americans turn on their taps, they expect the water that comes out to be clean and safe. Unfortunately, that is not always the case.

I rise today to ask my colleagues to join me in expressing our support for the new health and science-based standard for arsenic in drinking water. The stronger standard can protect millions of Americans from a known carcinogen. A 1999 National Academy of Sciences report concluded that chronic ingestion of arsenic causes bladder, lung, and skin cancer. The Administration's proposal to withdraw this new standard puts the public health at risk.

The science is clear. The National Academy of Sciences has concluded

that the current standard, which has not been revised in nearly 60 years, does not meet EPA's goal of public-health protection and has urged that it be revised as quickly as possible.

The new, more protective arsenic standard of 10 parts per billion would put our national drinking water standard for arsenic in line with drinking water standards set at the state level, as well as international standards. The World Health Organization has established a guideline for arsenic in drinking water of 10 parts per billion, indicating that the value would be even lower if it were based on health concerns alone, without consideration for the technological and financial capabilities of certain countries.

Withdrawing this important new drinking water standard for arsenic also creates uncertainty for communities across the country that will ultimately need to construct or upgrade water treatment facilities to meet the new standard. These communities need and deserve as much time as is possible to come into compliance with the new standard.

This bill that I am introducing today expresses the Sense of the Senate that to provide maximum protection for public health and a maximum amount of time for communities to accommodate a new drinking water standard for arsenic, the new standard for arsenic in drinking water should be set no later than the statutory deadline of June 22, 2001.

Rather than rolling back science-based, public health standards for our nation's drinking water, we should be rolling up our sleeves and investing in our water infrastructure so that America's families can rest assured that their drinking water is clean and safe.

By Mr. BURNS:

S. 752. A bill to amend the Internal Revenue Code of 1986 to reclassify computer equipment as 3-year property for purposes of depreciation; to the Committee on Finance.

Mr. BURNS. Mr. President, I rise today, to introduce the Technology Depreciation Reform Act of 2001. This bill will update the U.S. Tax Code to reflect the evolution of the computer and other high-tech industries.

High-tech hardware is subjected to an outdated tax code. Currently, businesses must depreciate their computer equipment over a five year period. I believe this five year depreciation life for tax purposes is clearly outdated. Many companies today must update their computers as quickly as every 14 months in order to stay current technologically.

Depreciation schedules for technology assets have not been reformed since 1986. This legislation will amend the U.S. Tax Code by reducing the depreciation schedule for high-tech equipment from five years to three years.

I believe it is time to update an outdated tax code to reflect the realities of today's technology-based workplace. A five year depreciation schedule for business computers is no longer realistic.

The Computer Depreciation Reform Act allows every company, from the neighborhood real estate office, to the local hospital, to the local bank to depreciate their computer equipment on a three year schedule. As a result, these companies will no longer be forced to pay for their high-tech equipment long after its useful life has become obsolete.

In short, the tax code is outdated for high-tech hardware. The five year schedule for technology assets is particularly outdated. In fact, this is an ice age for computer technologies. As the chairman of the Communications Subcommittee, I am very award of the impact this is having on small businesses. Congress has not addressed this issue since 1986. However, the industry has evolved dramatically since that time.

I look forward to working with my colleagues on both sides of the aisle to update the tax code to reflect the realities of today's technological workplace.

By Mr. BREAUX (for himself, Mr. CRAIG, Mr. DORGAN, Mr. BURNS, Mr. CONRAD, Mr. ENZI, Ms. LANDRIEU, Mr. THOMAS, Mr. GRAHAM, Mr. CRAPO, Mr. BAUCUS, Mr. NELSON of Nebraska, Mr. DAYTON, Mr. INOUYE, Mr. AKAKA, Mr. ALLARD, and Mr. HARKIN):

S. 753. A bill to amend the Harmonized Tariff Schedule of the United States to prevent circumvention of the sugar tariff-rate quotas; to the Committee on Finance.

Mr. BREAUX, Mr. President, unfair trade practices cannot and will not be tolerated. American jobs are hurt, industry suffers, and the economy loses.

Importing stuffed molasses into the United States is a classic example of an unfair trade practice being conducted in this country. Its importation circumvents the United States' GATT-legal sugar import tariff rate quota. It's time to end this scheme because our domestic sugar industry is being hurt by it.

As a trade practice, importing stuffed molasses is a crafty, refined scheme.

Stuffed molasses, as a product, consists of refined sugar being mixed with water and molasses for the purpose of disguising the refined sugar so it can evade the United States' GATT-legal tariff rate quota.

In its disguised state, stuffed molasses has no legitimate commercial use. It does, however, circumvent our legitimate sugar import tariff rate quota.

Once stuffed molasses is brought into the United States, the refined sugar is extracted from the water and molasses and sold in the United States' refined liquid sugar market. Once imported and extracted, it displaces legitimately-produced United States' sugar and legitimately-imported sugar from the 40 countries which export sugar to this country under the tariff rate quota.

The United States company which imports stuffed molasses into this country, a subsidiary of an international conglomerate, brings it in through a tariff category for certain molasses products for which there is little or no tariff.

Senator LARRY CRAIG and I, as Co-Chairmen of the Senate Sweetener Caucus, are introducing today a bipartisan bill which would require the same tariff to be applied to stuffed molasses as is applicable currently to refined sugar imports.

We are pleased that 15 other senators have joined us in introducing the bill. We deeply appreciate their interest and support.

In January of this year, USDA issued a sugar and sweetener report which included the department's analysis of the stuffed molasses situation. For the period 1995/1996 to 1999/2000, USDA's report says stuffed molasses imports escalated from 8,056 short tons raw value to 118,105 short tons raw value, an increase approaching 1400 percent.

USDA's report also says stuffed molasses imports for 1999/2000 were the equivalent of 10.5 percent of imports under the raw and refined sugar tariff rate quotas for that period.

The USDA report forecasts Fiscal Year 2001 imports of stuffed molasses to increase to 125,000 short tons raw value. It also says the sugar used to make this disguised product originates in such countries as Australia and Brazil and is processed into stuffed molasses in Canada, from where it enters the United States.

Our bipartisan legislation makes it clear that its purpose is to stop an unfair trade practice by applying a legitimate tariff to a concocted product which is circumventing our GATT-legal tariff rate quota. It does not affect any other legitimately-traded molasses or molasses product which has been traded historically and has legitimate commercial uses.

This unfair trade practice, is completely unacceptable. It is a total rejection of all that is fair in trade. It must be stopped. Our legislation is designed to do just that. I join with Senator CRAIG and all of the bill's original cosponsors to invite all other Senators who oppose unfair trade practices to join us in cosponsoring the bill and voting for its passage.

By Mr. LEAHY (for himself, Mr. KOHL, Mr. SCHUMER, and Mr. DURBIN):

S. 754. A bill to enhance competition for prescription drugs by increasing the ability of the Department of Justice and Federal Trade Commission to enforce existing antitrust laws regarding brand name drugs and generic drugs; to the Committee on the Judiciary.

Mr. LEAHY. Mr. President, in the last Congress I introduced a bill, S.

2993, with Senator KOHL to give the Federal Trade Commission, FTC, and the Department of Justice, DOJ, the ability to effectively enforce antitrust laws concerning contract and payment arrangements between drug companies which could hurt consumers.

Unfortunately, no action was taken on that Leahy-Kohl bill, and the newspapers are now full of articles about allegations that Shering-Plough paid $90 million to generic drug manufacturers to delay sales of a low-cost generic drug taken by heart patients.

While these allegations have yet to be resolved for those particular companies, this story highlights the need to pass legislation to prevent this type of problem from happening in the future.

If Dante were writing The Inferno today, he might well have reserved a special place for those who engage in these anti-consumer conspiracies.

The Federal Trade Commission deserves credit for exposing this problem, during last Congress and this Congress. Under the bill we are introducing today, companies are required to give the FTC and the Justice Department the information they need to prevent manufacturers of patented drugs—often brand-name drugs—from simply paying generic drug companies to keep lower-cost products off the market.

These deals which prevent competition hurt senior citizens, hurt families, and cheat healthcare providers.

These pharmaceutical giants and their generic partners then share the profits gained from cheating American families.

The companies have been able to get away with this by signing secret deals with each other not to compete. Our bill, the ''Drug Competition Act of 2001'', will expose these deals and subject them to immediate investigation and appropriate action by the Federal Trade Commission or the Justice Department.

This solves the most difficult problem faced by federal investigators: finding out about the improper deals. This bill does not change the so-called Hatch-Waxman Act, it does not amend FDA law, and it does not slow down the drug approval process. It allows existing antitrust laws to be enforced by ensuring that the enforcement agencies have information about no-compete deals. The same confidentiality requirements will still apply to the FTC and to DOJ, as under current law.

The issue of making deals which prevent competition was addressed in a New York Times editorial titled, ''Driving Up Drug Prices,'' published on July 26, 2000. The editorial noted that even though the FTC ''is taking aggressive action to curb the practice. It needs help from Congress to close loopholes in federal law.''

This bill is that help, and the bill slams the door shut on would-be violators by exposing the deals to our competition enforcement agencies.

Under current law, manufacturers of generic drugs are encouraged to challenge weak or invalid patents on brand-name drugs so that consumers can enjoy lower generic drug prices.

Current law grants these generic companies a temporary protection from competition to the first manufacturer that gets permission to sell a generic drug before the patent on the brand-name drug expires.

This approach then gives the generic drug manufacturer a 180-day head start on other generic companies.

That was a good idea. The unfortunate loophole that has been open to exploitation is the fact that secret deals can be made that allow the manufacturer of the generic drug to claim the 180-day grace period, to block other generic drugs from entering the market, while, at the same time, getting paid by the brand-name manufacturer for not selling the lower-cost generic drug.

The bill we are introducing today will shut this loophole down for companies who want to cheat the public, but keeps the system the same for companies engaged in true competition with each other. This bill would give the FTC or the Justice Department the information they need to take quick and decisive action against companies driven more by greed than by good sense.

It is important for Congress not to overreact to these outrages by throwing out the good with the bad. Most generic companies want to take advantage of this 180-day provision and deliver quality generic drugs at much lower costs for consumers. We should not eliminate the incentive for them to do that.

Instead, we should let the FTC and DOJ look at every single deal that could lead to abuse so that only the deals that are consistent with the intent of that law will be allowed to stand.

We look forward to suggestions from other Members on this matter and from brand-name and generic manufacturers who will work with us to make sure this loophole is closed. .

We are pleased that Congressman WAXMAN will introduce a companion bill in the House of Representatives. I look forward to working with him and with the other cosponsors in this effort.

I ask unanimous consent that a brief summary of the Drug Competition Act be printed in the RECORD.

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

SUMMARY OF THE DRUG COMPETITION ACT OF 2001

The bill facilitates Federal Trade Commission and Department of Justice confidential review of agreements between brand-name drug manufacturers and potential generic competitors so that they can more efficiently enforce existing antitrust laws.

The bill covers brand-name drug manufacturers and generic manufacturers that enter into agreements regarding the sale or manufacture of a potentially competing generic equivalent (of any particular brand-name drug).

In cases where those agreements could have the effect of limiting sales of that generic-equivalent drug, or could limit the research or development of that competing generic, both (or all) companies are required to file the texts of those agreements with the Federal Trade Commission and with the Attorney General within 10 business days after the agreement is executed.

Failure to file may result in a civil penalty of not more that $20,000, per day. The Act would take effect 90 days after enactment.

No existing time limits, requirements, or patent or drug approval systems are affected by this limited filing requirement. The bill does not amend the Sherman Act, other antitrust laws, the Federal Trade Commission Act, the Hatch-Waxman Act or other generic drug laws, the Federal Food, Drug and Cosmetic Act, or any patent or drug safety law.

STATEMENTS ON SUBMITTED RESOLUTIONS—APRIL 5, 2001

SENATE RESOLUTION 66—EXPRESSING THE SENSE OF THE SENATE REGARDING THE RELEASE OF TWENTY-FOUR UNITED STATES MILITARY PERSONNEL CURRENTLY BEING DETAINED BY THE PEOPLE'S REPUBLIC OF CHINA

Mr. THOMAS (for himself, Mr. KERRY, Mr. WARNER, Mrs. FEINSTEIN, Mr. MURKOWSKI, Mr. BIDEN, Mr. LUGAR, Mr. SMITH of Oregon, Mrs. CLINTON, Mr. BROWNBACK, Mr. BAUCUS, Mr. ROBERTS, Mr. NELSON of Florida, Mr. LIEBERMAN, Mr. KENNEDY, Mr. DODD, Mr. TORRICELLI, Mr. CORZINE, Mr. MCCONNELL, Mr. LEVIN, Mrs. BOXER, Mr. WELLSTONE, Mr. DASCHLE, Mr. ROCKEFELLER, Mrs. CARNAHAN, Mr. CONRAD, Mrs. MURRAY, Mr. THURMOND, Mr. CRAPO, Mr. DORGAN, Mr. BAYH, Mr. CAMPBELL, Ms. CANTWELL, Ms. COLLINS, Mr. EDWARDS, Mr. KOHL, Mr. HUTCHINSON, Mr. FITZGERALD, Mr. INOUYE, Mr. JOHNSON, and Ms. SNOWE) submitted the following resolution; which was referred to the Committee on Foreign Relations:

Mrs. CLINTON. Mr. President, I rise in support of Senator THOMAS' resolution, which calls for the immediate release of the crew members of the EP–3E that was forced to make an emergency landing at the Lingshui, Hainan airbase on April 1st. Securing the safe return of the crew and their aircraft is a top priority for our country and this resolution makes that clear.

And I know that I speak for my constituents when I say that I am deeply concerned about the safety of the twenty-four U.S. crew members who are being held in China. My thoughts and prayers are with all of them and their family members, including the family of Kenneth Richter, a Navy cryptographer and native of Staten Island, New York.

We are fortunate to have brave men and women like Kenneth Richter serve our country. It is a reminder of how the courage and hard work of those in our armed forces help to keep America free and secure.

All Americans stand as one behind the President as our nation presses for

the immediate release of our people and our aircraft. There is absolutely no justification for their detention for one minute, let alone so many days.

STATEMENTS ON SUBMITTED RESOLUTIONS—APRIL 6, 2001

SENATE RESOLUTION 68—DESIGNATING SEPTEMBER 6, 2001 AS ''NATIONAL CRAZY HORSE DAY''

Mr. JOHNSON submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 68

Whereas Crazy Horse was born on Rapid Creek in 1843;

Whereas during his lifetime, Crazy Horse was a great leader of his people;

Whereas Crazy Horse was a warrior and a military genius and his battle strategies are studied to this day at West Point;

Whereas Crazy Horse was a ''Shirt Wearer'', having duties comparable to those of the United States Secretary of State;

Whereas it was only after he saw the treaty of 1868 broken that Crazy Horse defended his people and their way of life in the only manner he knew;

Whereas Crazy Horse took to battle only after he saw his friend, Conquering Bear, killed and only after he saw the failure of the Federal Government agents to bring required treaty guarantees such as food, clothing, shelter, and necessities for existence; and

Whereas Crazy Horse was killed at Fort Robinson, Nebraska, on September 6, 1877, when he was only 34 years of age: Now, therefore, be it

Resolved, That the Senate—

(1) designates September 6, 2001, as ''National Crazy Horse Day''; and

(2) requests that the President issue a proclamation calling on the Federal Government and State and local governments, interested groups and organizations, and the people of the United States to observe the day with appropriate programs, ceremonies, and activities.

Mr. JOHNSON. Mr. President, I rise today to introduce a resolution that will commemorate the life of Crazy Horse. Crazy Horse was a great leader of his people, and the designation of September 6 will be the ultimate commendation for his bravery and contribution to Native Americans.

Crazy Horse was born on Rapid Creek in 1843. He was killed when he was only 34 years of age, September 6, 1877. He was stabbed in the back by a soldier at Fort Robinson, Nebraska, while he was under U.S. Army protection. During his life he was a great leader of his people. Crazy Horse was warrior and a military genius. His battle strategies are studied to this day at West Point.

Crazy Horse was bestowed with the honor of becoming a Shirt Wearer. This honor is comparable to duties like that of the Secretary of State.

Crazy Horse defended his people and their way of life in the only manner he knew, but only after he saw the treaty of 1868 broken. He took to the warpath only after he saw his friend Conquering Bear killed; only after he saw the failure of the government agents to bring required treaty guarantees such as food, clothing, shelter and necessities for existence. In battle the Sioux war leader would rally his warriors with the cry, ''It is a good day to fight, it is a good day to die.''

Throughout recent history, a memorial commemorating the life of this great warrior is under construction in my state of South Dakota. I would like to take these efforts one step further and designate September 6, 2001, the 124th anniversary of Crazy Horse's death, as ''National Crazy Horse Day.''

I urge my colleagues to join me in the commemoration of this great hero.

SENATE RESOLUTION 69—RESOLUTION CONGRATULATING THE FIGHTING IRISH OF THE UNIVERSITY OF NOTRE DAME FOR WINNING THE 2001 WOMEN'S BASKETBALL CHAMPIONSHIP

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

S. RES. 69

Whereas the University of Notre Dame women's basketball team won its first national championship by defeating the tenacious Purdue University Boilermakers by the score of 68-66;

Whereas for the first time in NCAA women's basketball history, two teams from the same State appeared in the championship game;

Whereas Ruth Riley, named the Final Four's outstanding player and a native of Macy, Indiana, led the University of Notre Dame with 28 points and made 2 free throws with 5.8 seconds left in the game to secure a victory;

Whereas Niele Ivey battled back from a sprained left ankle and scored 12 points for the Irish;

Whereas the Fighting Irish, coached by Muffet McGraw, finished their season with a 34-2 record;

Whereas the high caliber of the University of Notre Dame Women Fighting Irish in both athletics and academics has advanced the sport of women's basketball and provided inspiration for future generations of young female athletes; and

Whereas the Fighting Irish's season of accomplishment inspired euphoria across the basketball-loving State of Indiana: Now, therefore, be it

Resolved,

SECTION 1. CONGRATULATING THE UNIVERSITY OF NOTRE DAME WOMEN'S BASKETBALL TEAM.

(a) IN GENERAL.—The Senate congratulates the Fighting Irish of the University of Notre Dame for winning the 2001 NCAA Women's Basketball Championship.

(b) TRANSMITTAL.—The Secretary of the Senate shall transmit a copy of this resolution to the president of the University of Notre Dame.

SENATE RESOLUTION 70—RESOLUTION HONORING THE AMERICAN SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS FOR ITS 135 YEARS OF SERVICE TO THE PEOPLE OF THE UNITED STATES AND THEIR ANIMALS

Mr. DURBIN (for himself and Mr. SMITH of New Hampshire) submitted the following resolution; which was considered and agreed to:

S. RES. 70

Whereas April 10, 2001, is the 135th anniversary of the founding of The American Society for the Prevention of Cruelty to Animals (''ASPCA'');

Whereas ASPCA has provided services to millions of people and their animals since its establishment in 1866 in New York City by Henry Bergh;

Whereas ASPCA was the first humane society established in the western hemisphere;

Whereas ASPCA teaches children the character-building virtues of compassion, kindness, and respect for all God's creatures;

Whereas the dedicated directors, staff, and volunteers of ASPCA have provided shelter, medical care, behavioral counseling, and placement for abandoned, abused, or homeless animals in the United States for more than a century; and

Whereas ASPCA, through its observance of April as Prevention of Cruelty to Animals Month and its promotion of humane animal treatment through programs on law enforcement, education, shelter outreach, poison control, legislative affairs, counseling, veterinary services, and behavioral training, has provided invaluable services to the people of the United States and their animals: Now, therefore, be it

Resolved,

SECTION 1. HONORING THE AMERICAN SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS.

(a) IN GENERAL.—The Senate honors The American Society for the Prevention of Cruelty to Animals for its 135 years of service to the people of the United States and their animals.

(b) TRANSMITTAL.—The Secretary of the Senate shall transmit a copy of this concurrent resolution to the president of The American Society for the Prevention of Cruelty to Animals.

SENATE RESOLUTION 71—EXPRESSING THE SENSE OF THE SENATE REGARDING THE NEED TO PRESERVE SIX DAY MAIL DELIVERY

Mr. HARKIN submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 71

Whereas the Postal Service has announced it may consider reducing its six-day mail delivery service to five days, ending Saturday home delivery to offset a projected budget shortfall;

Whereas the six-day mail delivery is an essential service that U.S. citizens have relied on since 1912, particularly those working families who depend on their paychecks to arrive in the mail on time;

Whereas many senior citizens only have one source of income through their Social Security checks, which arrive in the mail and any delays would make it difficult for them to purchase items such as food and medicine; and

Whereas ending Saturday home mail delivery will result in inevitable delays in mail delivery and an increase in costs for employee overtime to control the back-up of mail: Now, therefore, be it

Resolved, That it is the Sense of the Senate that it is strongly opposed to the elimination of Saturday home and business mail delivery and calls on the United States Postal Service to take all of the necessary steps to assure that six-day home and business mail delivery not be reduced.

Mr. HARKIN. Mr. President, today I am introducing a resolution regarding recent reports coming out of the U.S. Postal Service.

On Tuesday, the United States Postal Service in an effort to cut costs announced that it may eliminate Saturday mail delivery, thus reducing home delivery to five days a week.

I believe this would be a terrible mistake. Saturday delivery is an essential service, and we should make sure it continues. Eliminating the sixth day will lead to inevitable delays for mail delivery as well as higher costs to pay overtime to our postal workers.

So my resolution would put the Senate on record as strongly opposed to a cut in service. The amendment will also call on the governing body of the Postal Service to take the necessary steps to ensure the essential service goes uninterrupted.

Cutting out the Saturday delivery would represent a major change for the service, a service that many Americans, especially our seniors who don't use e-mail, have depended on for decades.

People across America depend on the services of the Postal system. Millions of working families depend on the mail for their pay checks, millions of seniors depend on the mail for their Social Security checks, and millions of poor Americans can't afford computers and don't have access to things like e-mail which many of us take for granted. We should not let them down.

AMENDMENTS SUBMITTED AND PROPOSED

SA 351. Mr. BOND proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

TEXT OF AMENDMENTS

SA 351. Mr. BOND proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

On page 36, line 6, increase the amount by $967,000,000.

On page 36, line 7, increase the amount by $967,000,000.

On page 43, line 15, decrease the amount by $967,000,000.

On page 43, line 16, decrease the amount by $967,000,000.

On page 48, line 8, increase the amount by $967,000,000.

On page 48, line 9, increase the amount by $967,000,000.

ORDERS FOR MONDAY, APRIL 23, 2001

Mr. LOTT. Mr. President, I ask unanimous consent that at 2 p.m. on Monday, April 23, the Senate resume H. Con. Res. 83, and the majority leader, or his designee, be recognized to make a motion for the Senate to insist on its amendment, request a conference with the House on the disagreeing votes thereon, and the Chair be authorized to appoint conferees on the part of the Senate, those conferees being: Senators DOMENICI, GRASSLEY, and GRAMM, and Democratic nominees to be announced on Monday, April 23. There will be two of them.

Further, there will be 4 hours equally divided for debate only, and following that debate, the motions be immediately agreed to without any intervening action, motion, or additional debate, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE BUDGET RESOLUTION

Mr. LOTT. Mr. President, if I could take a moment while Senator DASCHLE is present, I thank the managers of this legislation on behalf of all the Senate. Being chairman of a committee and ranking member of a committee always has its challenges. And when you manage a bill on the floor, any of them can present difficulties and take quite some time. But probably no bill is any more difficult than the budget resolution because you have so many different parts. You are dealing with mandatory programs, appropriated accounts, the aggregate numbers, and those categories, as well as what you are going to do with regard to tax policy. It is not an easy job.

I must say that Senator DOMENICI, the chairman of the Budget Committee, and Senator KENT CONRAD, the ranking Democrat on the committee, have done an excellent job. We really appreciate it. It has been long hours. But I watched you working last night and again this morning, and I am sure there are many Senators who would not have believed we would be where we are at this moment—20 minutes to 3—having completed a bipartisan budget resolution.

I am sure many of us would make changes and say it is not perfect, but in the years I have watched votes on budget resolutions—and they now go back over some 25 or 26 years since we first started the budget resolution—I only remember two or three times where it was really a bipartisan budget resolution. This vote of 65–35 was, I think, a good vote, a positive vote, and a good step toward completing our work this year on all the different components of this bill. So I congratulate you and thank you for your work.

I say to Senator DASCHLE, would you like to comment?

Mr. DASCHLE. If the majority leader will yield, I only add my voice to the majority leader's. He has spoken for both of us again in complimenting our chair as well as our ranking member.

This is the first managerial responsibility, under our Budget Committee, that our ranking member has had. I must say, he has made us all proud and very grateful. He has done an extraordinary job. And his staff has been very helpful, as we worked through many of the legislative landmines we faced over the course of the last several days.

I would also like to thank our Democratic whip, Senator REID of Nevada, for the outstanding job he did in helping our ranking member and working through the many challenges we faced. He, as he always does, has been just a tremendous workhorse. Senator REID deserves our thanks and our debt of gratitude as well.

I thank the majority leader for yielding.

Mr. LOTT. In conclusion, Mr. President, I would like to join in expressing appreciation for Senator REID. We consider him the utility player for both sides. He does wonderful work. We do appreciate it.

Also, I want to take note that Senator DOMENICI, as chairman of the committee or ranking member, has been involved in every budget resolution we have worked on since the law went into effect back in the 1970s; and he has been the manager on our side 14 times.

So we have the old pro here, and we have the new ranking member, and they both did a great job and worked together quite well. We do appreciate it.

With that, I yield the floor.

Mr. DOMENICI. Mr. President, I say to my good friend, Senator KENT CONRAD, it is a pleasure working with you. I extend my congratulations for a superb job. It was a very difficult budget from the standpoint of both of us. In the last 36 hours, you and HARRY REID have been miracle workers. We very much appreciate your willingness to help us get through this, and get through quickly, so that our Senators can get on with their Easter recess and so that we could do something significant before we leave.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, first of all, I thank the majority leader and the Democratic leader for their kind comments. It has been terrific working with them. I also want to highlight the work of the chairman of the committee who has done a very fair-handed job of managing the Budget Committee. We thank him for his fairness, and we appreciate very much the working relationship we have established throughout the year.

I think our committee was one of the first to reach agreement in this power-sharing arrangement. And certainly here on the floor, Senator DOMENICI worked in such a constructive and gracious way. We appreciate it very much.

If I might talk, for just a moment, on the reasons I voted in opposition to this budget resolution after these long hours of work. I would sum it up in the following ways.

No. 1, I wanted to do more debt reduction than we ultimately did here. I wanted to reserve 70 percent of the forecasted surpluses for debt reduction. Unfortunately, we fell well short of that. So my first concern with what we passed is there is not sufficient debt reduction.

My second concern is that after a detailed analysis of all the amendments that have passed, we are into the Medicare trust funds in the years 2002, 2005, 2006, and 2007, to the tune of $54 billion. As I enunciated when I laid down a budget alternative, I do not think we should use any of the trust funds of Social Security or Medicare for any year. So that would be the second reason I voted in opposition.

The third reason was that the tax cut we are left with of $1.2 trillion over the 10 years is simply too large to accommodate the kind of additional debt paydown that I believe is in the best interest of the country. Instead of paying down the publicly held debt to about $500 billion, this budget resolution pays down the publicly held debt to about $1.1 trillion. So I would have liked to have seen us pay down the publicly held debt by another $600 billion.

Finally, Mr. President, in the option that I offered our colleagues, we reserved $800 billion to strengthen Social Security for the long term. This budget will fall far short of that at about $160 billion that is available to strengthen Social Security for the long term.

So for those reasons, I voted in opposition.

In saying that, I do want to indicate that we improved this budget substantially. From what we started with—from what we started with; not from my plan, but from what we started with—we reduced the tax cut, we increased the amount of publicly held debt paydown, and we reserved additional resources for improving education, for a prescription drug benefit, for our national defense, and for agriculture.

So those were important improvements. I just would have liked to have seen us do somewhat better. I would have liked to have seen us put more of an emphasis on debt reduction. But we will have other opportunities to make those points and other opportunities to vote on those priorities.

I conclude by thanking all of our colleagues for their patience and their graciousness during this period.

I also want to take this moment to thank the staffs who worked so hard during this period because these have been long nights and difficult days.

I want to start with Mary Naylor, my staff director on the Senate Budget Committee, who did a superb job under difficult circumstances; and Jim Horney, who is also a top staffer, the deputy staff director for the Senate Budget Committee; Sue Nelson, who produced chart after chart that showed us where we stood at every juncture so we knew precisely where we were, which I think helped us make wise decisions; Lisa Konwinski, our counsel, who Lisa drafted amendment after amendment, not only for me but for our colleagues, and did a superb job; Sarah Kuehl, who has primary responsibility in the Social Security area; Steve Bailey, our tax counsel; Dakota Rudesill, who handles national security issues and national defense; Scott Carlson and Tim Galvin, who handle agriculture for the committee; Shelley Amdur, who is our education specialist; Jim Esquea and Bonnie Galvin; Chad Stone, our economist; Rock Cheung, who helped produce those charts, and I think helped us be more successful than we would have otherwise been; and certainly Karin Kullman, who joined the staff to help us do outreach to groups who were interested in the budget; and, finally, my terrific press team, Stu Nagurka and Steve Posner, who had their hands full.

Goodness knows, I appreciate the work all of you have done. I appreciate very much the long hours you have put in and your real dedication. You have made me proud. I think you have helped us improve the budget for our country.

I thank the staff on the other side, especially the staff director for Senator DOMENICI, Bill Hoagland, who is a class act. He deserves all of our thanks for the professionalism with which he conducts himself.

Mr. President, again, I thank everyone who has made this an interesting first experience for me in my position on the Budget Committee.

I thank the Chair and yield the floor.

TRIBUTE TO ROBERT HOFFMAN

Mr. DEWINE. Mr. President, I rise today to say thank you—thank you to my legislative director for the past four years, Mr. Robert Hoffman. Robert—my right-hand man—will be leaving Capitol Hill shortly for a promising career in the private sector.

But I speak for a lot of people on the Hill—Members and staffers, alike—when I say that although we are very happy for Robert and we wish him well, we are saddened by his upcoming departure and will miss him dearly.

We will miss Robert's dedication to this institution.

We will miss his optimism and his sense of humor.

We will miss his unstoppable work ethic.

But most of all, we will just miss him.

Robert Hoffman has, himself, become somewhat of an institution here on Capitol Hill. Almost exactly twelve years ago today—April 3, 1989—Robert started working in Washington for former California Senator, Pete Wilson.

Robert, a California native, didn't start off as Senator Wilson's legislative director. Oh no. He started in the mail room. His dogged determination and his amazing ability to absorb issues quickly propelled him upward within the Wilson operation. In less than a year, Robert had become a legislative correspondent and within another year, he was working in Sacramento as deputy speech writer after Senator Wilson became Governor of California.

Robert, though, missed Capitol Hill—and Capitol Hill missed him. By May 1991, he was back in Washington, this time working as a legislative assistant for another former California Senator, John Seymour. Robert thrived as a legislative assistant, handling complex issues ranging from crime to immigration.

In practically no time, Robert was ready for a managerial role. In December 1992, he started a long tenure with our former colleague from South Dakota, Senator Larry Pressler.

By the young age of only 27, Robert was serving as Senator Pressler's legislative director. Though Robert's loyalty to Governor Wilson called him back for slightly over a year to work as the Governor's Deputy Director of his Washington office, Robert stayed with the Pressler organization until January 1997. To this day, Senator Pressler is thankful for having had Robert at the helm of his legislative operation.

The Senator has described Robert as one of the ''all time finest legislative assistants and legislative directors on Capitol Hill. He is a man of great personal values and decency—a decency that is contagious.''

Senator Pressler said it well.

I know, too, that Senator Pressler greatly valued—and still values, as I do—Robert's deep grasp and understanding of foreign policy and national security matters. Robert accompanied Senator Pressler and Senator SPECTER on a trip to Africa. Senator Pressler speaks fondly of that trip and of Robert's ''superb job of managing it.'' According to Senator Pressler: ''Robert made that trip. He got us there and back in one piece, which was no easy feat! He managed the whole thing, dealt with heads of state, and knew all the issues—forward and back.''

Robert came to my office in February 1997. He's been my legislative director for over four years now. And, during that time, I have learned a great deal about this fine man.

I have learned that he is loyal to a fault.

I have learned that he is a workhorse.

I have learned that he is an incredible strategist, manager, teacher, thinker, leader, and friend.

I have also learned that there is nothing Robert Hoffman can't do. To use one of Robert's favorite phrases: ''He just gets it. He just gets the joke.''

Robert is one of the best ''big picture'' thinkers I have ever encountered. He gets the whole scene; he understands it. He can put things in their

proper perspective. No one does a better job in taking complex issues, simplifying them and explaining them. He understands how all the pieces in a legislative operation fit together.

He understands politics.

He understands policy.

He understands press.

That combination of skills—that kind of raw talent and intuitive intelligence—is a true rarity here in Washington or anywhere, for that matter.

As anyone who has worked with Robert knows, he always gets the job done. No ifs. No buts. No excuses. He just gets the job done. He is a fair and tempered negotiator. Certainly, I have seen that. I have seen him in situations where I didn't think we would be successful, and he went into negotiation and came out with a lot better deal than I imagined we could achieve. He gets it done in a quiet, thoughtful, professional way. Robert Hoffman knows how to get bills passed into law. He knows the ins and outs of the legislative process. And, he has the ability to bring sides together to reach consensus and build bipartisan relationships.

While Robert's professionalism and work ethic are second to none, I would be remiss to not mention Robert's strength of character and personal integrity.

He is a gentleman—a kind man, a sincere man, and a man who cares about people. He cares about every single person in my office.

He cares about them on a professional level, and he cares about them on a personal level. He cares about them as people.

Robert Hoffman is a good man, and I am privileged to have had the extraordinary opportunity to work with him and call him my friend.

As he departs Capitol Hill after twelve fruitful, fearless, and fun years, I wish him and his lovely new wife, Andrea, all the best in the world. Thank you, Robert.

Mr. President, those in the Chamber and on Capitol Hill who will miss Robert Hoffman will still be able to see him. One of the easiest ways to do that is to watch the reruns of ''Little House on the Prairie.'' Robert started his professional career actually before he came to Capitol Hill. He started as one of the stars on the original version of ''Little House on the Prairie.'' Those of you who are up late at night and who have the opportunity to see a rerun, if you see someone who looks like Robert Hoffman, it is. You will have the opportunity to see a much younger version of Robert on that show.

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

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

MODIFICATION OF UNANIMOUS CONSENT AGREEMENT WITH RESPECT TO CONFEREES TO THE BUDGET RESOLUTION

Mr. DEWINE. Mr. President, on behalf of Leader LOTT, I ask unanimous consent that the previous consent agreement with respect to conferees to the budget resolution be modified to allow for one additional conferee per side, and further, the Republican conferee be Senator NICKLES and the Democrat nominee be named on April 23.

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

MEASURE PLACED ON THE CALENDAR—H.R. 8

Mr. DEWINE. Mr. President, also, on behalf of the leader, I understand there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will read the bill for the second time.

The legislative clerk read as follows:

A bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period, and for other purposes.

Mr. DEWINE. Mr. President, I object to further proceedings on this bill at this time.

The PRESIDING OFFICER. This bill will be placed on the calendar.

CONGRATULATING THE UNIVERSITY OF NOTRE DAME WOMEN'S BASKETBALL TEAM FOR THEIR CHAMPIONSHIP

Mr. DEWINE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 69, submitted earlier today by Senators BAYH and LUGAR.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 69) congratulating the Fighting Irish of the University of Notre Dame for winning the 2001 women's basketball championship.

There being no objection, the Senate proceeded to consider the resolution.

Mr. LUGAR. Mr. President, I rise today to join my colleague from Indiana as a cosponsor of this resolution congratulating the women's basketball team of the University of Notre Dame for winning the 2001 women's basketball championship.

This remarkable achievement by the Fighting Irish women's basketball team culminates a season in which Coach Muffet McGraw and her team achieved an outstanding 34–2 record. Player Ruth Riley, an Indiana native, earned the titles Big East Player of the Year and Outstanding Player of the Final Four. Her teammate, Niele Ivey, suffered a sprained ankle during the semifinal game but persevered to help the Fighting Irish win their 68–66 final game victory over the determined Purdue University Lady Boilermakers.

The women basketball players of Notre Dame offer an example of dedication, skill, and sportsmanship as they bring Notre Dame its first national basketball title.

Mr. BAYH. Mr. President, it is with great pride that I rise today with my colleague Senator RICHARD LUGAR to introduce a bipartisan resolution honoring the University of Notre Dame women's basketball team for winning the school's first ever National Collegiate Athletic Association, NCAA, Division I basketball championship.

On April 1, 2001, this remarkable group of young women—led by senior All-American and native Hoosier Ruth Riley, have taken their place in Notre Dame's long and storied tradition of academic and athletic excellence with a victory over the Purdue University Boilermakers.

This match-up made NCAA history, as it was the first time two teams from the same state appeared in the NCAA women's basketball championship game. I cannot think of a more fitting place from which these two special teams could hail than from Indiana, basketball's heartland. It is a wonderful tribute to these two teams and their fine universities, and an honor for the state of Indiana to gain that distinction.

As Hoosiers across our state and basketball fans around the nation watched with excitement and anticipation, both teams put forth a tremendous effort that made for a spectacular game. These true competitors displayed immense talent and ability as they engaged each other relentlessly throughout the forty minute championship game. The determination and commitment of both the Fighting Irish and the Boilermakers exemplifies our Hoosier values and serves as a tremendous source of pride for the state of Indiana.

Behind every great team is a great coach, and Notre Dame's Muffet McGraw is no exception. Coach McGraw provided the Fighting Irish with the stewardship needed for an outstanding record of thirty-four wins and only two losses during the 2000–2001 season, en route to the national championship. The Notre Dame community should be very proud of both Coach McGraw's leadership and her team's outstanding accomplishments as student athletes.

In dramatic fashion, the Fighting Irish turned around a twelve point deficit and tied the game with one minute remaining. With 5.8 seconds remaining, Ms. Riley made two free throws to complete the comeback and secure a 68–66 victory for the Fighting Irish. Ms. Riley, who earned the tournament's Most Outstanding Player honors, was also named national Player of the Year and was a unanimous selection as first team All-American. Through hard work and determination, Ruth Riley and her teammates advanced the sport of women's basketball and provided inspiration for future generations of young female athletes.

Mr. DEWINE. Mr. President, I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, that any statements relating thereto be placed in the RECORD at the appropriate place as if read, with no intervening action or debate.

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

The resolution (S. Res. 69) was agreed to.

The preamble was agreed to.

(The text of the resolution is printed in Today's RECORD under ''Statements on Submitted Resolutions.'')

HONORING THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS FOR 135 YEARS OF SERVICE

Mr. DEWINE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 70, submitted earlier today by Senator DURBIN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 70) honoring the American Society for the Prevention of Cruelty to Animals for its 135 years of service to the people of the United States and their animals.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DEWINE. Mr. President, I ask unanimous consent that the resolution be agreed to, and the motion to reconsider be laid upon the table, that any statements relating thereto be placed in the RECORD at the appropriate place as if read, with no intervening action or debate.

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

The resolution (S. Res. 70) was agreed to.

The preamble was agreed to.

(The text of the resolution is located in Today's RECORD under ''Statements on Submitted Resolutions.'')

AUTHORIZING PRINTING OF UPDATED VERSION OF ''BLACK AMERICANS IN CONGRESS''

Mr. DEWINE. Mr. President, I ask unanimous consent that the Rules Committee be discharged from the consideration of H. Con. Res. 43 and the Senate proceed to its consideration.

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

The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 43) authorizing the printing of a revised and updated version of the House document entitled ''Black Americans in Congress, 1870–1989.''

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. DEWINE. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid upon the table, all with no intervening action.

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

The concurrent resolution (H. Con. Res. 43) was agreed to.

APPOINTMENTS

THE PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 100–696, appoints the Senator form Ohio (Mr. DEWINE) as a member of the United States Capitol Preservation Commission.

The Chair, on behalf of the President pro tempore, pursuant to Public Law 94–118, reappoints the Senator from Alaska (Mr. MURKOWSKI) to the Japan-United States Friendship Commission.

AUTHORITY TO MAKE APPOINTMENTS

Mr. DEWINE. Mr. President, I ask unanimous consent that notwithstanding the recess or adjournment of the Senate, the President of the Senate, the President of the Senate pro tempore, and the majority and minority leaders be authorized to make appointments to commissions, committees, boards, conferences, or interparliamentary conferences authorized by law, by concurrent action of the two Houses, or by order of the Senate.

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

STAR PRINT—S. 525

Mr. DEWINE. Mr. President, I ask unanimous consent that a star print of S. 525 be made with the changes that are at the desk.

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

EXPRESSING THE SENSE OF THE SENATE REGARDING THE 1944 DEPORTATION OF THE CHECHEN PEOPLE

Mr. DEWINE. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 27, S. Res. 27.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 27) to express the sense of the Senate regarding the 1944 deportation of the Chechen people to central Asia, and for other purposes.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DEWINE. Mr. President, 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 finally, that any statements appear at this point in the RECORD.

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

The resolution (S. Res. 27) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 27

Whereas for more than 200 years, the Chechen people have resisted the efforts of the Russian government to drive them from their land and to deny them their own culture;

Whereas beginning on February 23, 1944, nearly 500,000 Chechen civilians from the northern Caucasus were arrested en masse and forced onto trains for deportation to central Asia;

Whereas tens of thousands of Chechens, mainly women, children, and the elderly, died en route to central Asia;

Whereas mass killings and the use of poisons against the Chechen people accompanied the deportation;

Whereas the Chechen deportees were not given food, housing, or medical attention upon their arrival in central Asia;

Whereas the Soviet Union actively attempted to suppress expressions of Chechen culture, including language, architecture, literature, music, and familial relations during the exile of the Chechen people;

Whereas it is generally accepted that more than one-third of the Chechen population died in transit during the deportation or while living in exile in central Asia;

Whereas the deportation order was not repealed until 1957;

Whereas the Chechens who returned to Chechnya found their homes and land taken over by new residents who violently opposed the Chechen return; and

Whereas neither the Soviet Union, nor its successor, the Russian Federation, has ever accepted full responsibility for the brutalities inflicted upon the Chechen people: Now, therefore, be it

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

(1) the United States should commemorate the 57th anniversary of the brutal deportation of the Chechen people from their native land;

(2) the current war in Chechnya should be viewed within the historical context of repeated abuses suffered by the Chechen people at the hands of the Russian state;

(3) the United States Government should make every effort to alleviate the suffering of the Chechen people; and

(4) it is in the interests of the United States, the Russian Federation, Chechnya, and the international community to find an immediate, peaceful, and political solution to the war in Chechnya.

URGING THE IMMEDIATE RELEASE OF KOSOVAR ALBANIANS WRONGFULLY IMPRISONED

Mr. DEWINE. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 28, S. Res. 60.

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

The legislative clerk read as follows:

A resolution (S. Res. 60) urging the immediate release of Kosovar Albanians wrongfully imprisoned in Serbia, and for other purposes.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DEWINE. Mr. President, 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 any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 60) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 60

Whereas the Military-Technical Agreement Between the International Security Force (''KFOR'') and the Governments of the Federal Republic of Yugoslavia and the Republic of Serbia (concluded June 9, 1999) ended the war in Kosovo;

Whereas in June 1999, the armed forces of the Federal Republic of Yugoslavia (Serbia and Montenegro) (in this resolution referred to as the ''FRY'') and the police units of Serbia, as they withdrew from Kosovo, transferred approximately 1,900 ethnic Albanians between the ages of 13 and 73 from prisons in Kosovo to Serbian prisons;

Whereas some ethnic Albanian prisoners that were tried in Serbia were convicted on false charges of terrorism, as in the case of Dr. Flora Brovina;

Whereas the Serbian prison directors at Pozarevac prison stated that of 600 ethnic Albanian prisoners that arrived in June 1999, 530 had no court documentation of any kind;

Whereas 640 of the imprisoned Kosovar Albanians were released after being formally indicted and sentenced to terms that matched the time already spent in prison;

Whereas representatives of the FRY government received thousands of dollars in ransom payments from Albanian families for the release of prisoners;

Whereas the payment for the release of a Kosovar Albanian from a Serbian prison varied from $4,300 to $24,000, depending on their social prestige;

Whereas Kosovar Albanian lawyers, including Husnija Bitice and Teki Bokshi, who are fighting for fair trials of the imprisoned have been severely beaten;

Whereas approximately 600 Kosovar Albanians remain imprisoned by government authorities in Serbia;

Whereas the Geneva Conventions of August 12, 1949, and their protocols give the international community legal authority to press for, in every way possible, the immediate release of political prisoners detained during a period of armed conflict;

Whereas, on July 16, 1999, the United Nations Mission in Kosovo (UNMIK) Special Representative to the Secretary General, Bernard Kouchner, formed an UNMIK commission on prisoners and missing persons for the purpose of advocating the immediate release of prisoners in four categories: sick, wounded, children, and women;

Whereas on March 15, 2000, the Kosovo Transition Council, a co-governing body with the Interim Administrative Council in Kosovo, repeated an appeal to the United Nations Security Council requesting the release of Kosovar Albanians imprisoned in Serbia;

Whereas on February 26, 2001, the FRY Assembly enacted an Amnesty Law under which only 108 of the 600 prisoners are eligible for amnesty; and

Whereas Vojislav Kostunica, as President of the Federal Republic of Yugoslavia (Serbia and Montenegro), is responsible for the policies of the FRY and of Serbia: Now, therefore, be it

Resolved,

SECTION 1. URGING THE IMMEDIATE RELEASE OF ALL KOSOVAR ALBANIAN PRISONERS WRONGFULLY IMPRISONED IN SERBIA.

The Senate hereby—

(1) calls on FRY and Serbian authorities to provide a complete and precise accounting of all Kosovar Albanians held in any Serbian prison or other detention facility;

(2) urges the immediate release of all Kosovar Albanians wrongfully held in Serbia, including the immediate release of all Kosovar Albanian prisoners in Serbian custody arrested in the course of the Kosovo conflict for their resistance to the repression of the Milosevic regime; and

(3) urges the European Union (EU) and all countries, including European countries that are not members of the EU, to act collectively with the United States in exerting pressure on the government of the FRY and of Serbia to release all prisoners described in paragraph (2).

EXPRESSING SENSE OF CONGRESS WITH RESPECT TO INVOLVEMENT OF THE GOVERNMENT OF LIBYA IN TERRORIST BOMBING

Mr. DEWINE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 29, S. Con. Res. 23.

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

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 23) expressing the sense of Congress with respect to the involvement of the Government of Libya in the terrorist bombing of Pan Am Flight 103, and for other purposes.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. KENNEDY. Mr. President, I rise to support this resolution condemning Libya for its involvement with the Pan Am 103 Lockerbie bombing and reiterating conditions under which sanctions will be lifted.

The conviction of Abdel Basset al-Megrahi by the Scottish court in the Netherlands for the December 21, 1988 terrorist bombing of Pan Am Flight 103 is a victory for the families of the 270 victims, who have been seeking justice for more than 12 years, a victory for our country, which was the real target of the terrorist attack, and a victory for the world community in the ongoing battle against international terrorism.

Now that a Scottish court has concluded that Libya was responsible for the bombing, the hand of the United States has been strengthened in our effort to convince the international community that it is premature to welcome Libya back into the family of nations. The task will not be easy. Oil companies want to invest in the Libyan petroleum sector, and even many of our closest allies are anxious to close the book on the bombing.

Following the verdict, President George Bush wisely stated that the United States will continue to press Libya to accept responsibility and compensate the families. We must demand full disclosure of what Libya knows. The United States must make it clear that we will use our veto in the UN Security Council to block any effort to permanently lift sanctions before Libya accepts responsibility for the actions of its intelligence officer, provides appropriate compensation to the families, accounts for its involvement in the bombing, and fully renounces terrorism. These are the conditions demanded by the international community—not just the United States—and they must be enforced before the sanctions are lifted. We must also be prepared to impose stronger sanctions if Qadhafi refuses to cooperate. This resolution makes clear that this should be American policy.

U.S. sanctions against Libya which prevent trade and investment and bar the import of Libyan oil must also remain in place. Although there is strong interest by the U.S. oil industry in investing in Libya, the Administration must make clear that profits cannot take priority over justice.

It is vital to the ongoing battle against international terrorism that all those responsible for this horrible act are brought to justice.

I am pleased to work with Senator FEINSTEIN on this resolution, and I urge my colleagues to support it.

Mr. DEWINE. Mr. President, 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 any statements relating to the resolution be printed in the RECORD.

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

The concurrent resolution (S. Con. Res. 23) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 23

Whereas 270 people, including 189 Americans, were killed in the terrorist bombing of Pan Am Flight 103 over Lockerbie, Scotland, on December 21, 1988;

Whereas, on January 31, 2001, the 3 judges of the Scottish court meeting in the Netherlands to try the 2 Libyan suspects in the bombing of Pan Am 103 found that ''the conception, planning, and execution of the plot which led to the planting of the explosive device was of Libyan origin'';

Whereas the Court found conclusively that Abdel Basset al Megrahi ''caused an explosive device to detonate on board Pan Am 103'' and sentenced him to a life term in prison;

Whereas the Court accepted the evidence that Abdel Basset al Megrahi was a member of the Jamahiriyah Security Organization, one of the main Libyan intelligence services;

Whereas the United Nations Security Council Resolutions 731, 748, 883, and 1192 demanded that the Government of Libya provide appropriate compensation to the families of the victims, accept responsibility for the actions of Libyan officials in the bombing of Pan Am 103, provide a full accounting of its involvement in this terrorist act, and cease all support for terrorism; and

Whereas, contrary to previous declarations by the Government of Libya and its representatives, in the wake of the conviction of Abdel Basset al Megrahi, Colonel Muammar Qadhafi refuses to accept the judgment of the Scottish court or to comply with the requirements of the Security Council under existing resolutions: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. SHORT TITLE.

This concurrent resolution may be cited as the ''Justice for the Victims of Pan Am 103 Resolution of 2001''.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the entire international community should condemn, in the strongest possible terms, the Government of Libya and its leader, Colonel Muammar Qadhafi, for support of international terrorism, including the bombing of Pan Am 103;

(2) the Government of Libya should immediately—

(A) make a full and complete accounting of its involvement in the bombing of Pan Am 103;

(B) accept responsibility for the actions of Libyan officials;

(C) provide appropriate compensation to the families of the victims of Pan Am 103; and

(D) demonstrate in word and deed a full renunciation of support for international terrorism;

(3) the President should instruct the United States Permanent Representative to the United Nations to use the voice, and, if necessary, the vote of the United States, to maintain United Nations sanctions against Libya until all conditions laid out or referred to in the applicable Security Council resolutions are met; and

(4) the President should instruct the United States Permanent Representative to the United Nations to seek the reimposition of sanctions against Libya currently suspended in the event that Libya fails to comply with those United Nations Security Council resolutions.

SEC. 3. POLICY OF THE UNITED STATES TOWARD LIBYA.

It should be the policy of the United States to—

(1) oppose the removal of United Nations sanctions until the Government of Libya has—

(A) made a full and complete accounting of its involvement in the bombing of Pan Am 103;

(B) accepted responsibility for the actions of Libyan officials;

(C) provided appropriate compensation to the families of the victims of Pan Am 103; and

(D) demonstrated in word and deed a full renunciation of support for international terrorism; and

(2) maintain United States sanctions on Libya, including those sanctions on all forms of assistance and all other United States restrictions on trade and travel to Libya, until—

(A) the Government of Libya has fulfilled the requirements of United Nations Security Council Resolutions 731, 748, 883, and 1192;

(B) the President—

(i) certifies under section 620A(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(c)) that Libya no longer provides support for international terrorism; and

(ii) has provided to Congress an explanation of the steps taken by the Government of Libya to resolve any outstanding claims against that government by United States persons relating to international terrorism; and

(C) the Government of Libya is not pursuing weapons of mass destruction or the means to deliver them in contravention of United States law.

SEC. 4. TRANSMITTAL OF CONCURRENT RESOLUTION.

The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

EXPRESSING SENSE OF CONGRESS REGARDING ESTABLISHMENT OF INTERNATIONAL EDUCATION POLICY

Mr. DEWINE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 30, S. Con. Res. 7.

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

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 7) expressing the sense of Congress that the United States should establish an international education policy to enhance national security and significantly further United States foreign policy and global competitiveness, and for other purposes.

There being no objection, the Senate proceeded to consider the concurrent resolution which had been reported by the Committee on Foreign Relations with an amendment, an amendment to the preamble, and an amendment to the title, as follows:

S. CON. RES. 7

Whereas promoting international education for United States citizens and ensuring access to high level international experts are important to meet national security, foreign policy, economic, and other global challenges facing the United States;

Whereas international education entails the imparting of effective global competence to United States students and other citizens as an integral part of their education at all levels;

Whereas research indicates that the United States is failing to graduate enough students with expertise in foreign languages, cultures, and policies to fill the demands of business, government, and universities;

Whereas, according to the Institute for International Education, less than 10 percent of United States students graduating from college have studied abroad;

Whereas, according to the American Council on Education, foreign language enrollments in United States higher education fell from 16 percent in 1960 to just 8 percent today, and the number of 4-year colleges with foreign language entrance and graduation requirements also declined;

Whereas educating international students is an important way to impart cross-cultural understanding, to spread United States values and influence, and to create goodwill for the United States throughout the world;

Whereas, based on studies by the College Board, the Institute for International Education, and Indiana University, more than 500,000 international students and their dependents contributed an estimated $12,300,000,000 to the United States economy in the academic year 1999–2000;

Whereas, according to the Departments of State and Education, the proportion of international students choosing to study in the United States has declined from 40 to 30 percent since 1982;

Whereas international exchange programs, which in the past have done much to extend United States influence in the world by educating the world's leaders, as well as educating United States citizens about other nations and their cultures, are suffering from decline; and

Whereas American educational institutions chartered in the United States but operating abroad are important resources both for deepening the international knowledge of United States citizens and for nurturing United States ideals in other countries: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. SENSE OF CONGRESS ON THE ESTABLISHMENT OF AN INTERNATIONAL EDUCATION POLICY FOR THE UNITED STATES.

It is the sense of Congress that the United States should establish an international education policy to enhance national security, significantly further United States foreign policy and economic competitiveness, and promote mutual understanding and cooperation among nations.

SEC. 2. OBJECTIVES OF AN INTERNATIONAL EDUCATION POLICY FOR THE UNITED STATES.

An international education policy for the United States should strive to achieve the following:

(1) Enhance the educational infrastructure through which the United States produces citizens with a high level of international expertise, and builds a broad knowledge base that serves the United States.

(2) Promote greater diversity of locations, languages, and subjects involved in teaching, research, and study abroad to ensure that the United States maintains a broad international knowledge base.

(3) Significantly increase participation in study and internships abroad by United States students.

(4) Invigorate citizen and professional international exchange programs and promote the international exchange of scholars.

(5) Support visas and employment policies that promote increased numbers of international students.

(6) Ensure that a United States college graduate has knowledge of a second language and of a foreign area, as well as a broader understanding of the world.

(7) Encourage programs that begin foreign language learning in the United States at an early age.

(8) Promote educational exchanges and research collaboration with American educational institutions abroad that can strengthen the foreign language skills and a better understanding of the world by United States citizens.

(9) Promote partnerships among government, business, and educational institutions and organizations to provide adequate resources for implementing this policy.

Amend the title so as to read: ''Expressing the sense of Congress that the United States should establish an international education policy to further national security, foreign policy, and economic competitiveness, promote mutual understanding and cooperation among nations, and for other purposes.''.

Mr. DEWINE. Mr. President, I ask unanimous consent that the committee amendment to the resolution be agreed to; that the resolution, as amended, be agreed to; that the amendment to the preamble be agreed to; that the preamble, as amended, be agreed to; that the amendment to the title be agreed to; that the motion to reconsider be laid upon the table and any statements relating to the concurrent resolution be printed in the RECORD.

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

The committee amendment was agreed to.

The amendment to the preamble was agreed to.

The concurrent resolution (S. Con. Res. 7), as amended, was agreed to.

The preamble, as amended, was agreed to.

The title amendment was agreed to.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DEWINE. In executive session, I ask unanimous consent the Senate proceed to consideration of Calendar No. 31: Maj. Gen. Joseph M. Cosumano, Jr., to be Lieutenant General, and Tim McClain to be general counsel for the Department of Veterans' Affairs.

I further ask unanimous consent the nominations be confirmed en bloc, the motion to reconsider be laid upon the table en bloc, that any statements relating to the nominations be printed in the RECORD, that the President be immediately notified, and the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

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. Joseph M. Cosumano, Jr., 0000

DEPARTMENT OF VETERANS AFFAIRS

Tim S. McClain, of California, to be General Counsel, Department of Veterans Affairs.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

ORDERS FOR MONDAY, APRIL 23, 2001

Mr. DEWINE. On behalf of Majority Leader LOTT, I ask unanimous consent that when the Senate completes its business today, it adjourn under the provisions of the adjournment resolution H. Con. Res. 93 until 12 noon on Monday, April 23, 2001. I further ask consent that on Monday, immediately following the prayer, the Journal or proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business until 2 p.m. with Senators speaking for up to 5 minutes each, with the following exceptions: Senator DURBIN or his designee, 12 noon until 1 p.m.; Senator THOMAS or his designee, 1 p.m. to 2 p.m.

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

PROGRAM

Mr. DEWINE. Mr. President, again, on behalf of Majority Leader LOTT, I announce on Monday at 2 p.m. the Senate will begin the appointment of conferees process with respect to the budget resolution. A vote is not necessary with respect to those motions, and therefore no votes will occur during Monday's session.

Also, during that week, the Senate may be expected to consider S. 350, the brownfields bill, as well as other authorization bills that may be cleared.

AUTHORITY FOR COMMITTEES TO REPORT

Mr. DEWINE. I ask unanimous consent that committees have between the hours of 12 noon and 2 p.m. on Tuesday, April 17, to file committee-reported legislative and executive items.

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

ORDER FOR ADJOURNMENT

Mr. DEWINE. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the provisions of H. Con. Res. 93 following the remarks of Senator BYRD.

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

Mr. BYRD. Mr. President, I thank the Chair and I thank the distinguished Senator from Ohio.

PRAISE FOR BUDGET MANAGEMENT

Mr. BYRD. Mr. President, allow me to express my appreciation to Mr. DOMENICI and Mr. CONRAD for the excellent way in which they handled the concurrent resolution on the budget. They were fair, they were considerate, and they were very skillful in their performance. I also thank our two leaders, Mr. LOTT and Mr. DASCHLE, for the excellent guidance they gave through their respective caucuses. I also thank my friend, the senior Senator from Alaska, who is presiding over the Senate, for his friendship and for his excellent leadership on the Senate Appropriations Committee. I wish him and his lovely wife and family, especially for Lily, a happy Easter holiday.

EASTER

Mr. BYRD. Mr. President, some years ago I read a story by Tolstoy titled, ''How Much Land Does A Man Need?'' Inasmuch as a considerable time has gone by since I last read this story, perhaps I shall say at the beginning that I am largely summarizing the story.

The story told of a man who had land hunger. He had orchards and vast other properties, but he could never get enough land. One day there stood in his presence a stranger who promised him all the land that he could cover in a day for 1,000 rubles. The conditions were that he would have to start at sunrise and that he could travel all day and buy as much land as he could cover in a day for 1,000 rubles. He would be required to return to the starting point by sundown; otherwise he would lose both the land that he had covered and the 1,000 rubles.

So the man started out at last to get enough land. He took off his jacket, and as he surveyed the land before him, he thought that this was certainly the richest soil that he had ever seen and the land was so level that he felt that never before had he seen such land. He tightened his belt, and with the flask of water that his wife had provided to him, he began his journey.

At first he walked fast. His plan was to cover a plot of ground 3 miles square. After he covered the first 3 miles, he decided he would walk 3 more miles, and then he walked 3 more miles until at last he had covered 9 miles before he started upon the second side. As he went along, the land seemed to be ever, ever more level, and the soil ever more rich.

He completed the second side just as the Sun crossed the meridian. He sat down and ate the bread and the cheese that had been prepared by his wife. He drank most of the water from the flask, and then turned upon the third side. He completed the third side when the Sun was fairly high still in the heavens, but he was becoming quite tired. He took off his boots, which were becoming heavy, and he pressed on. He turned upon the fourth side. But strangely enough, the land became less level and more hilly. His arms and legs were scratched by the briars, and his feet had been cut by the stones. The whole landscape had changed to the extent that it was very adverse to his being able to continue at the same pace as in the beginning.

The Sun kept dropping closer and closer to the horizon. He kept his eye on the goal. He could see the stranger, waiting at the starting point. His servant had accompanied him and had placed a stake at each corner as a marker for the ground that had been covered.

As the Sun was sinking low, the man had become very tired and no longer could he walk upright. He had to crawl on his hands and knees. He could see the dim face of the stranger waiting at the starting point, and upon that stranger's face was a cruel smile. The man reached the starting point just as the Sun went down, but he had overtaxed his strength and he fell dead on the spot.

The stranger, who was called Death, said: ''I promised him all the land he could cover. You see how much it is: 6 feet long, 2 feet wide. I have kept my pledge.'' The servant dug the grave for him.

The moral of the story is this: that the love of material things and the greed for gain shrivel the soul and leave the life a miserable failure at last.

As we approach the blessed season of Easter, it seems to me to be appropriate to reflect a bit about these things which are pretty mundane when compared with discussions concerning budget resolutions, taxes, projected surpluses, and so on. But once in a while I think it is good to return to the mundane—to the things that perhaps really count most in our lives.

Easter is a promise. Easter reminds each of us of the promise that we can live again, and that we can join our loved ones who have gone on before. To me it is the greatest of all religious days.

I suppose that having attained the age of 83, it becomes even more meaningful. I didn't used to think about these things quite as much as I do now. But at the age of 83, one doesn't have much to look forward to in this life. But there is the hope and the promise that I can see my grandson again, whom I lost 19 years ago.

My grandson was killed in a truck crash, and he died on the Monday morning after Easter Sunday in 1982. So the day itself has a particular significance to me.

I remembered that Mary and Martha in the Scriptures went to the tomb subsequent to the crucifixion of Our Lord. When the tomb was opened, they saw an angel who said to them: ''He is risen.''

So, if we didn't have that promise to which we can look forward, life would be pretty bleak.

I want to think that there will be another life. I believe it. That is what I was taught. As I say, if I didn't believe that, certainly at this late period in this earthly life the future would be pretty bleak indeed.

We live now in a very materialistic age. Things are quite different than they were when I was a lad walking in the hills of Mercer County and Raleigh County, WV. Times have changed immensely.

But there are some things that don't change. And one of the things that hasn't changed in my life is the belief, as I was taught in the beginning, that there is a Creator, and that there will come a time when each of us will have to meet the eternal judge and give an accounting for our stewardship during this earthly journey.

I believe that.

I find myself quite out of step from time to time in this materialistic age and this increasingly materialistic society, for to express one's belief in a Supreme Being who created the heavens and the Earth, who made man in his own image, and made provision for a life beyond the grave, is looked upon by some as a lack of cultural sophistication.

One who adheres to traditional religious beliefs these days will quite often find himself the possessor of views that are incompatible with a modern outlook.

Traditional religious beliefs are a thing of the past in some quarters. Our intellectual culture in this country, as we stand at the beginning of a new century, and at the beginning of a new millennium, appears to be dominated by skepticism, cynicism, agnosticism, and, alas, to some degree atheism.

Not too long ago, a majority of the Kansas State Board of Education acted to ban the teachings of Darwin—Charles Robert Darwin, a great British naturalist, concerning evolution in the classroom. There was an aroused interest in the subject. A new Board of Education recently restored evolution to the state science curriculum.

Several years ago, I read Charles Darwin's ''Origin of the Species.'' I also read his book ''The Descent of Man.'' I wanted to know what Darwin was saying. My intellectual curiosities were piqued. I wanted to read firsthand his theory about natural selection.

But reading Darwin did not shake my faith in a Creator. Reading Darwin only strengthened my belief in God's word, and strengthened my belief in the Creator, strengthened my belief in the Bible as a book that was written by man, but written through the inspiration from God.

Now, let me say, I do not claim to be good. My Bible says that no man is good. But I do claim to have been reared by two wonderful persons. They were not very well educated. They did not have much by way of this world's possessions. They could not give me much of anything. But they gave me their love, and they taught me to believe in the Scriptures.

And so the chronological account of the Creation—and I hold it right here in this book—as related in the Book of Genesis, seems to confirm my understanding of the chronology of Creation as outlined by science. I have done considerable reading of both—these Scriptures, and books and theses and materials on science.

I have three wonderful grandsons and two granddaughters remaining after the death of the oldest grandson. Two of those grandsons are physicists. They have their Ph.D.s in physics, not political science, which would be much easier, I suppose.

I have two fine sons-in-law, one of whom came to this country from Iran, the old Biblical country of Persia, and who, by the way, is also a physicist.

So my family is well equipped to help maintain this country's cutting edge in physics.

I am not a physicist, and I am not a scientist, and I am not a minister. I do not consider myself to be worthy of standing behind any altar in a church. But I do steadfastly believe in the Bible. I believe in its teachings. And I believe that the account in Genesis is, in my way of looking at it, the greatest scientific essay that was ever written. That Book of Genesis seems to confirm my understanding, as limited as it may be, of the chronology of Creation, as outlined by the scientific articles that I have read.

And, after all, how God made man is not so important; but what is important is that God, a superior intelligence, did make man. The doubters, the skeptics, the non-believers, all of these go out of their way to dispute the account of the Creation as presented in Genesis, but to the doubters and the skeptics and the cynics, I would refer them to that ancient man in the land of Uz, whose name was Job. And, there, we find the question: ''Canst thou by searching find out God?''

So, let the cynics, the doubters, and the skeptics answer God's challenge: ''Where wast thou when I laid the foundations of the earth? Declare, if thou hast understanding.

''Who hath laid the measures thereof, if thou knowest? Or who hath stretched the line upon it?

''Whereupon are the foundations thereof? Or who laid the cornerstone thereof;

''When the morning stars sang together, and all the sons of God shouted for joy?''

My reading of the theory promulgated by that great English naturalist, Darwin, leads me to conclude that there is something to what Darwin is saying, but let us not carry it too far. I have no problem in putting God's word as revealed in the Holy Bible right up against the teachings of evolution. I have no problem with that. So I have no problem with teaching the theory of natural selection, as suggested by Darwin, Huxley, and others. But I believe that if the Darwinian theory of evolution is to be taught in the classrooms of the Nation, the biblical account of Creation and other teachings of the Bible should likewise be presented so that the inquiring young man or woman may have a better understanding of both. Now, I understand the constitutional problem that might arise from such.

True it is, that ''Congress shall make no law respecting an establishment of religion,'' but I take this first amendment prohibition also to mean that Congress shall make no law respecting an establishment of ''anti-religion''. If high school students are to be taught a theory, such as evolution—I have no problem with that—which may result in non belief concerning God, non belief in religion, it seems to me that if we are really interested in the search for truth, the search for knowledge, the search for wisdom, then the student should have equal access to the account of Creation as set forth in the Book of Genesis.

I believe that, just as children should be taught the difference between right and wrong, they should also be exposed to the teachings of Holy Writ as well as the claims made by proponents of Darwin's theory of evolution.

Now, I am not here today suggesting that anybody else needs to be a Baptist just because I am a Baptist, or be a Methodist or be a Presbyterian or be an Episcopalian or be a Catholic or be of the Jewish religion, or of the religion of Islam. I have already stated

that one of my sons-in-law is an Iranian. His father was a devout—a devout—worshiper in the religion of Islam.

I am like Samuel Adams. I am not a bigot. I can listen to anybody's prayer and will listen to anybody's prayer. But now, back to the subject.

I personally find the theory of evolution as set forth in Darwin's book ''The Origin of Species'' to be an enormous piece of work, a marvelous, marvelous display of knowledge on the part of that great naturalist. It reflects great scholarship. It also contains—I am not hesitant about saying it at all—but it also contains a great, a huge number of guesses, hypotheses, conjectures, presumptions, assumptions, mere opinions, and considerable guesswork.

For example, such phrases as the following are sprinkled throughout Darwin's Origin: ''We may infer,'' ''has probably played a more important part,'' ''it is extremely difficult to come to any conclusion,'' ''seems probable,'' ''this change may be safely attributed to the domestic duck flying much less and walking more, than its wild parents,'' ''I am fully convinced that the common opinion of naturalists is correct,'' ''hence, it must be assumed,'' ''appears to have played an important part,'' ''seems to have been the predominant power,'' ''something, but how much we do not know, may be attributed to the definite action of the conditions of life.'' ''Some, perhaps a great, effect may be attributed to the increased use or disuse of parts.''

Additional examples are these: ''It is probable that they were once thus connected;'' ''that certainly at first appears a highly remarkable fact,'' ''it may be suspected,'' ''we have good reason to believe,'' ''it may be believed,'' ''these facts alone incline me to believe that it is a general law of nature,'' ''I conclude that,'' ''we must infer,'' ''we may suppose,'' ''I do not suppose that the process ever goes on so regularly,'' ''it is far more probable,'' ''nor do I suppose that the most divergent varieties are invariably preserved;'' ''if we suppose,'' ''but we have only to suppose the steps in the process,'' ''thus, as I believe, species are multiplied and genera are formed,'' ''may be attributed to disuse,'' ''we must suppose,'' ''we may conclude that habit, or use and disuse, have, in some cases, played a considerable part in the modification of the Constitution and structure;'' ''I suspect,'' ''it seems to be a rule that when any part or organ is repeated many times in the same individual, the number is variable, whereas the same part or organ, when it occurs in lesser numbers, is constant;'' ''the fair presumption is,'' ''it must have existed, according to our theory, for an immense period in nearly the same state;'' ''the most probable hypothesis to account for the reappearance of very ancient characters, is that there is a tendency in the young of each successive generation to produce the long lost character, and that this tendency, from unknown causes, sometimes prevails;'' ''by my theory, these allied species are descended from a common time;'' ''if my theory be true,'' ''must assuredly have existed;'' ''may we not believe . . .?''

I could go on and shall, indeed, go on for a brief moment. How long is a brief moment?

Here are some more: ''it is inconceivable'', ''it is therefore highly probable'', ''it may be inferred,'' ''nor is it improbable,'' ''these organs must have been independently developed,'' and so on, and so on, and so on and on.

Strange, isn't it, that, while many of the devotees of Darwinism are agnostics, or even outright atheists, their idol shows no compunctions with reference to a supreme being?

Let me quote Darwin. I have been quoting Darwin, but I want to quote Darwin to show that he has no compunction with reference to a supreme being. He says:

> May we not believe that a living optical instrument might thus be formed as superior to one of glass as the works of the creator are to those of man.

Darwin himself poses the key question. This is the key question, and it is meant for all of us. It will make us stop and think.

This is what Darwin asked:

> Have we any right to assume that the Creator works by intellectual powers like those of man?

That is the question. That is where so many of us in this intellectual age, this cynical age, that is where so many of us trip over ourselves because we attempt to square God's intelligence with our own. And thus, we become unbelievers or doubters simply because we can't conceive of all of the marvels of creation and how they came about. Therefore, again, I cite this question by Darwin:

> Have we any right to assume that the Creator works by intellectual powers like those of man?

Of course, with man's finite, limited intellectual powers, man finds it difficult to conceive of that which his own puny mind cannot embrace. Hence, while the skeptics doubt the Biblical account of creation, they seem to go out of their way to find alternative theories. The problem is that the alternatives they propose border on the absurd.

Beyond all credulity is the credulousness of atheists who believe that chance could make a world, when it cannot build a house.

Some scientists say that life, and man himself, was the outcome of random mechanisms operating over the ages. It is my belief that there is, and always has been, a super intelligence, an intelligence that foresaw the necessity of preplanning human life on earth.

In order that life might be produced, everything had to be just right from the very start—everything from the fundamental forces, such as electromagnetism and gravity, to the relative masses of various subatomic particles. And I have read that the slightest tinkering with a single one of scores of basic relationships in nature would have resulted in a very different universe from that which we know. It would be a universe with no stars like our sun, or even no stars, period. Life was not accidental, but appeared to be a goal toward which the entire universe, from the very beginning nanosecond of its existence, had been orchestrated and fine-tuned. In other words, there never was a ''random universe.'' But before its origins in the Big Bang, life was preplanned from the very first nanosecond of the cosmos' coming into being. This is the cosmological anthropic principle, and it marks a turning point, in that it takes us toward, rather than away from, the idea that there is a God.

I believe that the universe is the product of a vastly superior intelligence and that in the absence of such a superintelligence having provided guidance for millions of details, vast and small, this world would not exist, this universe would not exist, nor would we exist.

The materialistic paradigm, which is the fundamental modern concept of the random, mechanical universe, is coming apart at the seams. It is not a universe that is random and mechanical; instead, it is a universe of intricate order that reflects an unimaginably vast and intricate master design. The laws of physics that undergird the universe had to be fine-tuned from the beginning and expressly designed for the emergence of human beings. Human life did not come about by accident, the byproduct of material forces randomly churning over the ages, the fundamental constants of gravitational force and electromagnetic force necessary for producing life in the universe.

I have to believe that the evolution of the universe over many billions of years had, from the beginning, apparently been directed toward the creation of human life. From my very limited reading, I find that even the slightest tinkering with the value of gravity, or the slightest alteration in the strength of the electromagnetic force, would have resulted in the wrong kind of stars, or no stars at all. Any weakening of the nuclear ''strong'' force would have resulted in a universe consisting of hydrogen and not a single other element. That would mean no oxygen and no water—nothing but hydrogen. Even the most minuscule tinkering with the fundamental forces of physics—gravity, electromagnetism, nuclear strong force, or the nuclear weak force—would have resulted in a universe consisting entirely of helium, without protons or atoms, a universe without stars, or a universe that collapsed back in upon itself before the first moments of its existence were up. Even such basics of life as carbon and water depend upon ''fine-tuning'' at the subatomic level.

Think for a moment about the very nature of water, H2O, which is so vital

to life. Unique among the molecules, water is lighter in its solid form than in its liquid form. Ice floats. Every country boy knows that—a country boy like ROBERT BYRD. I learned a long time ago that ice floats—not just Ivory soap, but ice floats. If it did not float, the oceans would freeze from the bottom up, killing all forms of life therein, and the Earth would now be covered with solid ice.

Witness the vast order that pervades the universe! Could random variation have, even in the longest stretch of the imagination, created such magnificent order in the universe? Could chance have hit upon the order that we see all around us? To believe that it could is to believe that a monkey with a typewriter would eventually type the complete works of Shakespeare. But would he? Would he not more likely produce an infinity's worth of gibberish? Regardless of the number of days or the length of time available, what monkey could ever provide a single day's worth of typing Shakespeare—by random, by accident, by chance—let alone the complete works? The works of Shakespeare are complex enough, but they are small potatoes compared to the universe.

Random selection is not the magic bullet that some biologists would hope. One cannot explain away the order in nature by reference to a purely random process. To pretend otherwise is the stuff of science fiction.

Mr. President, as we depart this city for the holidays, let us remember the old, old story. Let us pause at Easter time and think on these things. I close with the reading of the 23rd psalm:

The Lord is my shepherd; I shall not want.

He maketh me to lie down in green pastures: He leadeth me beside the still waters.

He restoreth my soul: He leadeth me in the paths of righteousness for his name's sake.

Yea, though I walk through the valley of the shadow of death, I will fear no evil: for thou art with me; thy rod and thy staff they comfort me.

Thou preparest a table before me in the presence of mine enemies: thou anointest my head with oil; my cup runneth over.

Surely goodness and mercy shall follow me all the days of my life: and I will dwell in the house of the Lord for ever. Happy Easter!

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. BYRD. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Senate proceed to executive session, and I ask unanimous consent that the HELP Committee be discharged from further consideration of the following nominations, and further that the Senate immediately proceed to their consideration: Chris Spear and Kristine Ann Iverson.

I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed are as follows:

Chris Spear, of Virginia, to be an Assistant Secretary of Labor.

Kristine Ann Iverson, of Illinois, to be an Assistant Secretary of Labor.

NOMINATION OF CHRIS SPEAR

Mr. HUTCHINSON. Mr. President, I rise today in strong support of President Bush's nomination of Chris Spear to be Assistant Secretary of Labor for Policy. I truly believe that President Bush could not have selected a more competent person for this crucial position nor could he have picked a person of better character. Chris served as my Legislative Director for over a year before his nomination. In that time, I found his counsel to be invaluable and of great aid in forwarding my legislative priorities, and I am proud to say that he is not only a former employee but also a good friend. And, I know that I am not alone in wishing Chris well today, as he has previously served on the staffs of my good friends Senator ENZI and former Senator Alan Simpson. I wish Chris the best of luck in his new position and continued success in his career.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Mr. BYRD. I thank the Chair and I yield the floor.

ADJOURNMENT UNTIL MONDAY, APRIL 23, 2001

The PRESIDING OFFICER. There being no further business to come before the Senate, the Senate stands adjourned until the hour of 12 noon on April 23, under the previous order.

Thereupon, the Senate, at 4:02 p.m., adjourned until Monday, April 23, 2001, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate April 6, 2001:

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

THELMA J. ASKEY, OF TENNESSEE, TO BE DIRECTOR OF THE TRADE AND DEVELOPMENT AGENCY, VICE J. JOSEPH GRANDMAISON.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PIYUSH JINDAL, OF LOUISIANA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE MARGARET ANN HAMBURG, RESIGNED.

DEPARTMENT OF JUSTICE

CHARLES A. JAMES, JR., OF VIRGINIA, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE JOEL I. KLEIN, RESIGNED.

DEPARTMENT OF COMMERCE

MARIA CINO, OF VIRGINIA, TO BE ASSISTANT SECRETARY OF COMMERCE AND DIRECTOR GENERAL OF THE UNITED STATES AND FOREIGN COMMERCIAL SERVICE, VICE MAJORY E. SEARING.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. DONALD A. LAMONTAGNE, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. LANCE W. LORD, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. BRIAN A. ARNOLD, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. TIMOTHY A. KINNAN, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. RICHARD V. REYNOLDS, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

LT. GEN. WILLIAM J. BEGERT, 0000

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. ROY E. BEAUCHAMP, 0000

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. GARRY L. PARKS, 0000

DEPARTMENT OF HEALTH AND HUMAN SERVICES

WADE F. HORN, OF MARYLAND, TO BE ASSISTANT SECRETARY FOR FAMILY SUPPORT, DEPARTMENT OF HEALTH AND HUMAN SERVICES, VICE OLIVIA A. GOLDEN, RESIGNED.

SCOTT WHITAKER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE RICHARD J. TARPLIN, RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 6, 2001:

DEPARTMENT OF VETERANS AFFAIRS

TIM S. MCCLAIN, OF CALIFORNIA, TO BE GENERAL COUNSEL, DEPARTMENT OF VETERANS AFFAIRS.

DEPARTMENT OF LABOR

CHRIS SPEAR, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF LABOR.

KRISTINE ANN IVERSON, OF ILLINOIS, TO BE AN ASSISTANT SECRETARY OF LABOR.

(THE ABOVE NOMINATIONS WERE CONFIRMED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE CONSTITUTED COMMITTEES OF THE SENATE.)

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. JOSEPH M. COSUMANO JR., 0000