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# *Senate*

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

PRAYER

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

Gracious God, we seek to receive Your presence continually, to think of You consistently, and to trust You constantly. We urgently need divine wisdom for our leadership of this Nation. We have discovered that this only comes in a reliant relationship with You. Prayer enlarges our minds and hearts until they are able to be channels for the flow of Your Spirit. You, Yourself, are the answer to our prayers.

As we move through this day, may we see each problem, perplexity, or person as an opportunity to experience Your presence and accept Your perspective and patience. We don't want to forget You, but if we do, interrupt our thoughts and bring us back into an awareness that You are waiting to bless us and equip us to lead with vision and courage. Thus, may our work be our worship this day. In the Name of our Lord. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

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

## SCHEDULE

Mr. GORTON. Mr. President, this morning the Senate will be in a period of morning business until 11 a.m. Following morning business, the Senate will resume consideration of S. 280, the education flexibility partnership bill. Under a previous order, Senator BINGAMAN will be immediately recognized to offer an amendment regarding dropouts. Senators should expect rollcall votes throughout today's session, and also Friday until 12 noon. The leader would once again like to remind all Members that a rollcall vote is expected to occur this coming Monday at approximately 5 p.m. All Senators will be notified of the exact voting schedule as it becomes available.

I thank my colleagues for their attention.

## MORNING BUSINESS

The PRESIDING OFFICER (Mr. ROBERTS). Under the previous order, there will now be a period for the transaction of morning business.

The Senator from Washington is recognized.

## MICROSOFT

Mr. GORTON. Mr. President, last week the Government's misguided and collusive antitrust suit against the Microsoft Corporation recessed for a much-needed break. It only could be improved by making the recess permanent.

I urge my colleagues to make use of the trial's recess to learn about this case, and this industry. Nothing less is at stake here than the freedom to innovate, the key to America's economic success. We ignore this prosecution at our peril, because the United States Government is trying to kill the goose that lays golden eggs in the home states of every one of my esteemed colleagues. It is not simply a Washington-state company that needs shoring up; it is the industry leader that has fueled our recent unprecedented economic miracle, created hundreds of thousands of new jobs to fill those being lost in other sectors of the economy, established America as the global leader in high technology and redefined almost every aspect of our lives—and yet is under siege by a hopelessly time-locked Department of Justice, whose theory of antitrust was shaped in the 60s, when big business was bad, big government good, and facts never got in the way of a nice regulatory scheme.

Microsoft is not the only target of this Administration. Intel too is under attack by a gaggle of anti-free market attorneys at the Federal Trade Commission. The FTC says Intel uses its market power to stifle competition in the lucrative chip market. Given recent reports that in January, more computers were sold with chips made by one of Intel's largest competitors, AMD, than with Intel chips, the FTC's case seems far behind the times. But Robert Pitofsky and his cohorts press on regardless of real and dynamic markets.

Holman Jenkins summed up the absurdity of the Administration's actions eloquently in an editorial that appeared in the Wall Street Journal yesterday:

> If Joel Klein, Robert Pitofsky and all their little acolytes could catch just one mugger, they would have done something of more value for the country. For that matter, we'd owe the mugger a debt of gratitude for distracting these errant knights from their destructive mission.

Of course, I know the pressures of time and schedules on my colleagues, so, of all the millions of words that have been written about the Microsoft trial since its beginning last October, I want them to note just one story, written February 18 on C–Net news.com about Microsoft's recent roller coaster ride on Wall Street. The lead paragraph won't take much more than 10 seconds of my colleagues' valuable time, but it tells everything anyone needs to know about this case:

''Microsoft shares fell as much as 3.8% today,'' the C-net story began, ''on investor concern about threats to the company's dominance from the Linux operating system and the landmark antitrust trial.''

George Orwell couldn't have put it better: With competitors baying at its heels, Microsoft has been forced to divert enormous resources to defend

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

itself against the government's contention that it has no competitors.

Actually, George Orwell himself would have rejected the travesty of what is basically a private suit brought by the government on behalf of competing multi-billion-dollar companies against their chief competitor—especially when the government is heavily vested politically in those companies' success.

Whether Orwell would have believed it or not, my colleagues need to believe it, because it's happening, and their constituents don't like it. A poll taken by Citizens for a Sound Economy in January found that 81% of Americans—not just Washingtonians, but 81% of all Americans—say that Microsoft is good for consumers. A Hart/Teeter poll also from January found that 73% of Americans echo that belief and fully two-thirds say the federal government should stay out of the dispute and let the marketplace and consumers decide the fate of competitors in the personal computer industry. A majority know enough about what's already happening in the industry to understand that the whole expensive circus is moot anyway: 51% of Americans think that the federal government should just drop the case in the wake of AOL-Netscape merger.

Our constituents are paying attention to this issue because they are consumers and are perfectly aware of how much Microsoft has improved their lives. They also see family, friends and neighbors working for companies that depend on Microsoft for their existence. There are tens of thousands of companies, large and small, that partner with Microsoft, and they are located in every state in the Nation. I'm sure my colleagues know something about them, but I'm not convinced that they are aware of their huge numbers. That's why I asked Microsoft for a state-by-state breakdown of their ''partners,'' companies that work directly with or through Microsoft or its products. Microsoft provided me with the data, which I want to share with my colleagues.

Here, I say to the Presiding Officer the Senator from Kansas with 1,171 resale partners and 63 technology partners: Microsoft's partners fall into many categories: software retail stores; small Original Equipment Manufacturers that build and sell PC systems with Microsoft software preinstalled; Corporate Account Resellers who resell Microsoft software to large corporations; providers who sell packaged Microsoft software with value-added consulting services; PC manufacturers; and Microsoft Certified Solution Providers.

I direct my colleagues' attention to this map that shows the number of these partners in each of their own states. First, the national numbers: Microsoft has 7,279 technology partners and 112,819 resale partners.

These figures represent companies, not employees. Senator MURRAY and I are already well aware of Washington's 2,637 resale partners and 254 technology partners. Our state's economy is absolutely booming—and it's due not only to the presence of Microsoft itself, but to the thousands of other companies that Microsoft supports. Companies like Technology Express of Bothell and Techpower Solutions Incorporated of Redmond.

But I wonder if my other colleagues have stopped to consider what Justice's assault on Microsoft might do to their own state's economies and jobs—and how their constituents might feel about that impact. Let's look at Utah as an example. Utah is home to 64 technology partners and 1,153 resale partners of Microsoft—home to real people working in real jobs for real companies. Companies like PC Innovation Incorporated in Salt Lake City and Vitrex Corporation of Ogden. Despite these facts, the senior Senator from Utah, the distinguished Chairman of the Senate Judiciary Committee, has chosen to take the side of the Justice Department and to support the Administration's efforts to squelch the freedom of companies in his own state to innovate.

My colleagues should talk with consumers about their views of technology, because as my fellow Senators begin to understand how the technology business works, they will discover consumers not only have not been harmed by Microsoft, but have benefited: Innovation is booming, choices are growing, and prices are falling for all software.

Microsoft is leading an industry that the old school Department of Justice just doesn't understand. There are none of the traditional barriers to entry in the high tech industry that have historically motivated antitrust enforcement. This market moves at the speed of ideas—and a good idea can cause a company to lose 90 percent of market share overnight—precisely what happened to once-dominant products such as WordStar and Word Perfect; precisely what could happen to Microsoft.

This Justice Department, led by Joel Klein, is brazen about its desire to intervene in markets, even when it knows little about the markets it meddles with. ''Surgical intervention'' is the spin that Klein and his department has coined to describe its interventionist approach.

To recap the recent history of this misguided lawsuit, the original charge—that Microsoft illegally tied Internet browsing to its operating system—was rejected before the trial even began by a 3-member Court of Appeals ruling that recognized that putting Internet Explorer technologies into Windows '95 was a beneficial integration, not a monopolistic tie-in. The Court even admonished Klein and cohorts not to try tinkering with software design and warned them to be wary of intruding into marketplace innovation and product design. A mere week before the Court of Appeals ruling came out, the Department of Justice filed its current lawsuit against Windows 98—a product even more integrated than Windows 95.

For this trial, Klein and company simply changed tactics. Instead of arguing the case on its legal merits, the Justice Department has engaged in an all-out public relations battle. The new PR strategy has been orchestrated under Joel Klein's watch and has been the primary strategy in the courtroom as well. The government's lead lawyer, Mr. Boies has a few aggressive e-mail messages that showed Microsoft to be exactly the fiercely competitive entity that has engendered its impressive market performance, but nothing more sinister. Mr. Boies uses these same pieces of e-mail over and over again in highly theatrical ways to try and embarrass and intimidate Microsoft's witnesses. At breaks in the trial every day, the Government turns the courthouse steps into ground zero for its spin game knowing full well its legal strategy had failed before it ever left the gate.

Despite their shaky legal case, the press has recently reported that Justice Department officials and the Attorneys General from 19 states suing Microsoft are already discussing post trial ''remedies.'' Before any decision has been made in the case, Antitrust Division officials are contemplating punishments. Before they have proven any consumer harm, they are devising consumer remedies. Before they have made closing arguments, they have coined a cute catch phrase for their planned breakup of the company. They call the tiny remnants of the future broken Microsoft they already have the hubris to predict ''Baby Bills.''

Whatever happened to letting justice take its course? Are we to assume that the outcome of the trial is a foregone conclusion? Why are we wasting taxpayer money on attorneys fees when all that is really going on is a show trial?

On the other hand, Microsoft has put on a very strong record in this case in areas relevant to the law and the claims brought by the government: trying law, foreclosure of product through exclusionary contracts and the fundamental element of consumer harm.

The facts so far in the record show Microsoft to be on firm legal ground in all these areas. The Appeals Court verified there was no illegal tying. James Barksdale, Netscape's CEO, admitted that Microsoft did not foreclose his company from the market. And the government's final witness, economist Franklin Fisher, testified that, on balance, Microsoft has not harmed consumers.

As Attorney General for Washington State, I argued 14 cases before the United States Supreme Court. My focus as Attorney General was consumer protection. I want to assure my colleagues today that, had this case

been presented to me as an Attorney General, I wouldn't have given it a second glance because there is no evidence whatsoever that Microsoft has harmed consumers.

But Joel Klein doesn't care about protecting consumers. He cares about protecting companies that cannot compete on their own. In a recent speech, he stated that it was the job of antitrust to ''reallocate resources between the producer and the consumer.''

Really? To reallocate resources? That's what antitrust is for?

Well, I agree with Mr. Klein's assessment on one count: this trial was designed precisely to reallocate resources—from Microsoft to Microsoft's competitors. And why would the Department want to do that? Perhaps because the resources the Administration really wants to reallocate are California's electoral votes into AL GORE's column come the year 2000. Just this past Tuesday the San Francisco Chronicle said that Mr. GORE ''unabashedly acknowledged that he has lavished attention on California, which carries a rich cache of votes—and campaign donors. According to his staff, the Vice President has visited the State 53 times since taking office five years ago.'' In a separate story, the Chronicle quotes the Vice President as saying, ''California is the biggest, most important State. . . . It deserves the most attention, and I'm going to make sure it gets it.''

So, needing California in 2000, lusting for a return to the regulatory excess needed to feed the insatiable maw of big government, and wanting to throw trial lawyers some fresh meat, but lacking anything closely resembling a credible legal case, what have Klein and Co. done? They've demonized the most innovative, extraordinary world-changing engine for progress that this world may ever have seen. As my colleagues think about the implications of our failure to protest this demonization, let's just take a closer look at the ''demon'' itself and see what innovations the forces of government regulatory mediocrity are about to foreclose.

Microsoft's economic contributions already are common knowledge, and I've just provided the State-by-State breakdown, but here's a refresher: In the fiscal year ending June 30, 1998, Microsoft's net revenues were $14.48 billion—56 percent of which came from international trade. In my home State of Washington, by the end of 1998 Microsoft employed almost 16,000 workers. Nationwide the figure was almost 20,000—and that's without factoring in the number of jobs represented by the 120,000 plus companies on the Partners' map I've just shown my colleagues. Microsoft generates jobs worldwide as well, with subsidiaries in nearly 60 countries, from Austria to Vietnam, Costa Rica to the Czech and Slovak Republics, Saudi Arabia to South Africa.

National productivity and workplace efficiency? The value provided is very nearly beyond our ability to calculate. Ironically, Windows, the product portrayed by Klein and cohorts as anti-consumer, was purposely designed by Microsoft to support and encourage the greatest number of innovations possible by independent software programmers, who need a uniform, broad-based platform on which to write code that will be economically viable in smaller niche markets. The result has been an enormous proliferation of software designed to fill every imaginable consumer need.

How about other, less obvious innovations this company is responsible for? Let's start with products that just make life better for ordinary people, like WebTV, which lets people use their television sets to connect to the Internet. That's innovation for the better. And there's also Windows' accessibility features—magnifiers, high-contrast schemes, special keys and sound enhancements among many—that make computers easy to use for many people with disabilities—opening doors that previously were locked tight. Education? Microsoft donates millions of dollars in cash and software to schools and libraries every year.

Microsoft was recently voted the 3rd most admired company in Fortune's annual poll. That's some demon the Justice Department has targeted. It had better hurry and shut Microsoft down completely or the next thing you know Microsoft will help lower the cost of computing even more or spawn even greater technological and cultural innovations that will make our lives easier and better, and then where would we be?

Mr. President, irony aside, there is no aspect of this case that does not offend me.

As a lawyer, I have nothing but contempt for the flaccid PR case hoisted feebly in Judge Thomas Penfield Jackson's court by the govenment's inquisitors.

As a former Attorney General who left a solid legacy of consumer protection, I am appalled at the Orwellian double-speak government lawyers spew forth as they pretend to act on behalf of consumers while simultaneously seeking to dictate what they may consume.

As a free-market advocate of decades-long standing, I am chagrined at the ''Damn-the-consequences-full-speed-backward!'' attitude of those who would regulate just for regulation and bureaucracy's sake.

As a Senator, I am nonplused at the Administration's gall in asking for a 16 percent increase to beef up its attack-dog department so that it may continue mauling the greatest engine for revenue generation we've seen in many a year.

As a Washingtonian, I am incensed at the blatant attempt of AL GORE's wannabe administration to court my state's electoral votes even as his current Administration's Justice Department orchestrates the destruction of Washington's superb economic engine in favor of Silicon Valley's greater financial and electoral prize.

Yes, this case offends me in every sense of the word, as it should offend every one of my colleagues. I call on each of them today to recognize what is at risk here, to rise above partisan posturing, to recognize the outrageous nature of the Justice Department's power grab, and to join me in stopping it.

Because that is precisely what I intend to do: I will seek to stop the Justice Department's grab for more funding through the Appropriations Committee when there are basic law enforcement needs going unfunded. I intend to conduct Congressional oversight authority of the Department's out-of-control antitrust division in every committee in which it is appropriate, and I will seek out every other legitimate vehicle to provide Congressional control of this out-of-control, time-warped throwback to the 60s.

I call on my colleagues to join me today in demanding accountability from a Justice Department that asserts consumer harm in the presence of consumer bounty; that has sought to destroy competition in the name of competition; and that now seeks to increase its own battle force with taxpayer dollars for a undertaking that taxpayers do not want undertaken.

This is a Justice Department out of control, and not only with respect to Microsoft. They are also going after Visa and MasterCard. Their Equally hidebound colleagues at the FTC are suing chip manufacturer, Intel, and investigating router manufacturer, Cisco. Most of absurd of all the Department of Justice of the United States of America has accused the country's leading manufacturer of false teeth (Dentsply) of illegally maintaining a monopoly. No wonder Justice is asking for more money and more lawyers; it needs to find more teeth to feed its rapidly burgeoning lawsuit appetite.

Mr. President, the Department of Justice seeks to fix what is not broken, to intervene where innovation has been the unchallenged king, and to shunt off to a dead-end track the principal engine of America's technological leadership in the world.

The Department of Justice, and not Microsoft, must be stopped.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. ROBERTS. Mr. President, Senator KERREY, the distinguished Senator from Nebraska, under the previous order has asked for 20 minutes. We are to share that time. I ask unanimous

consent I may be now recognized for 20 minutes.

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

The Senator from Kansas is recognized.

Mr. ROBERTS. I thank the Chair.

(The remarks of Mr. ROBERTS and Mr. KERREY pertaining to the introduction of S. 529 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. AKAKA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 5 minutes.

## REDUCING CLASS SIZE

Mr. AKAKA. Mr. President, I rise in support of an amendment to be offered by my colleagues from Washington and Massachusetts, Senators MURRAY and KENNEDY, to S. 280, the Education Flexibility Partnership Act of 1999. The amendment represents a true investment in education, as well as in the future of our Nation and my State of Hawaii.

Built on a bipartisan agreement passed last year, the amendment seeks to reduce class size in early grades through the hiring of additional well-qualified teachers. This would mean more individualized attention for students from their teachers, increased learning in the basics that will immeasurably help them in future grades, and a better chance at success from an early age.

I also support other amendments to be offered to S. 280. One will be offered by my colleague, the senior Senator from New Jersey, Mr. LAUTENBERG, regarding an equally vital school modernization initiative. I have spoken in support of this initiative in the past. This plan would finance the building and renovation of public schools through tax credits in lieu of interest on bonds. Hawaii would receive tax credits to support $50 million in school modernization.

The other amendment that will be offered by Senator BOXER to help communities fund afterschool programs for kindergarten, elementary, and secondary school students will be one that I will support. This will help keep students off the streets after school, for too many youths in my State are left with nothing to do but turn to drugs, alcohol, gangs and other destructive behaviors. And this happens also in other States. These amendments have my full support.

Now I would like to focus my remarks on the class size amendment. I commend my colleagues for supporting the first installment of the 7-year class size reduction proposal last year. We passed $1.2 billion in 1998 to hire 30,000 teachers. Under this spending, Hawaii will receive more than $5.6 million. We must pass the Murray-Kennedy amendment to finish the job and assure that the teachers hired under last year's downpayment will continue to be funded.

This amendment would provide $1.4 billion in fiscal year 2000 to hire 38,000 teachers, which would give Hawaii nearly $7 million for 178 teachers. So this is something that Hawaii really looks forward to.

Students in my State need these well-qualified, well-trained teachers. I hear from students, parents, and teachers alike that classes are too large. The average size of a class in Hawaii is in the mid-twenties. However, research shows that the optimum number of students in a class, particularly lower grades, is in the mid- to upper-teens.

Among other problems, larger classes create discipline problems, especially in communities with large numbers of at-risk children. If we want to give our students the best possible chance to learn, they need smaller classes and teachers who are able to give them enough personal attention.

In addition to helping students, this amendment would also help Hawaii's teachers. As a former teacher, I have taught both small and large classes. I have taught in different kinds of systems. I know when students are grasping ideas. And we know when they are not. One of the most rewarding things a teacher can experience is to see the faces of students light up when they realize they have learned something new. When there are too many students in a class and only one teacher to supervise them, the result is a difficult and poor learning environment.

Mr. President, I hope my colleagues on both sides of the aisle will join me in voting for this class size amendment. It makes sense to focus our efforts this way on students during their early grades, because these represent some of the most vital years in a child's educational development. We must give our children a rock-solid foundation in the basics so they may continue to build a strong base of knowledge throughout their educational history. We know that well-educated children will mean a great citizenry for the future of our country.

I thank my colleagues, Senators MURRAY and KENNEDY, for giving me this opportunity and this chance to speak on their amendment at this most important time in the history of our country.

Thank you very much, Mr. President. I yield back the remainder of my time.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

## ORDER OF PROCEDURE

Mr. ABRAHAM. Mr. President, I am here today along with Senators SESSIONS and LEVIN to introduce a very important piece of legislation. I wonder if I could obtain unanimous consent so we might have the speaking in the order in which I would introduce the legislation. Then, after I finish speaking with respect to the legislation, Senator SESSIONS and then Senator LEVIN, in that order, would also have the opportunity to speak to this bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator has 15 minutes.

(The remarks of Mr. ABRAHAM, Mr. SESSIONS, and Mr. LEVIN pertaining to the introduction of S. 531 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

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

## EDUCATION FLEXIBILITY PARTNERSHIP ACT OF 1999

Mr. BAUCUS. Mr. President, I want to state very simply but strongly and unequivocally that I support S. 280, the Education Flexibility Partnership Act, and I support it very strongly. There is a very simple truth. That is, we need to trust our parents, trust our teachers, trust our local school boards. We should do everything in our power to unshackle our children from binding Federal Government-mandated rules that might make sense in Manhattan, NY, but not in Manhattan, MT.

Two weeks ago I had the honor of addressing the Montana State legislature, and when I spoke I told them that the time has come to bring the promise of world-class education to every Montanan. I daresay that virtually everyone in this body has made the same statement, because he or she believes it very deeply, when speaking to his or her own legislatures back in their own States or to any group whatsoever that is interested in education. I believe very deeply we must do that.

I also believe we need to ingrain that ethic into the hearts and minds of those who care about education all across our country. Indeed, it is similar to the environment. We are the stewards of our children's learning, and our future as a nation very deeply depends on our willingness to invest in them and our teachers and our schools all across our country.

We have a moral responsibility to leave this Nation's children prepared to meet the challenges ahead. That challenge takes a unique form when we talk about meeting the standards of rural States. Nearly 40 percent of the children who go to school in America every day go to a rural school in a small town, yet somehow we as a nation invest only 22 percent of our total education funding in these students. Rural students are being shortchanged by a ratio of 2 to 1. I will work hard this year to see that every student in America, whether in urban America or in rural America, is provided for fairly and equally.

But money alone is not enough. The Federal Government must be a partner in education with parents, teachers, and local schools, not an obstacle. Ed-Flex is the right step to take for our children. All Ed-Flex does is say to States, if you come up with a better way to do your job, we will get out of your way and let you do it. Right now, a well-meaning but confusing and distant Federal bureaucracy too often stands in their way. Let me give some examples.

Say Federal funds allowed a small Montana school, or even a large New York City school, to purchase computers for students with disabilities. Those computers probably will not get used all day long, and it makes sense that these computers be utilized to help other students when disabled students do not need them. But Federal rules prevent other students from using those computers. Does that make sense? No. So, under Ed-Flex, States can get a waiver and use these computers to educate all our children.

Another example: If a school has over 50 percent of its students who are under the poverty line, they can mix all of their Federal funds together, pool them with State funds, and create programs that help every student in that school. But what about schools in the next bracket, with between one-third and one-half of their students under the poverty line? In those schools, money for disadvantaged children must be spent directly on those children, even if that same money can be used in ways that will better educate the disadvantaged children and every other student in that school.

The other day I talked to my very good friend, Nancy Keenan. Who is Nancy Keenan? She is the superintendent of public instruction for my State. There is no better friend to Montana schoolchildren than Nancy Keenan. She tells me that right now these schools beat their heads up against Federal rules, trying to untangle the redtape and convince folks over 2,000 miles away, back in Washington, DC, that their local plans make sense. It is very, very depressing. If this bill passes, Montana—all States—could get waivers so the schools could deal directly with the Nancys of the country, and their parents and teachers, to find a solution that works better for every child.

It is time to restore trust back to the people. Right now, 12 States have been granted the right by Congress to experiment with education flexibility. You will not hear one Senator from those States stand up with even one instance where education flexibility has not worked. In fact, every State agrees that it allowed local folks to form partnerships, to create plans that work to better educate their children. That is all we want. We want our parents, our teachers, and local school boards, all working together, to give our children the very best. The Federal Government must be a better partner. We ought to do everything in our power to help our children. It is that simple.

I believe the bill before us, Ed-Flex, is the right way to take care of it and I applaud Senators WYDEN and FRIST for their efforts. I very much hope this passes quickly.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I commend my colleague from Montana, Senator BAUCUS, for his work on education and his understanding that this is a key issue we need to address from the Federal level. Too often today we hear from people who say, ''No, this is a local issue, this is just a State issue.'' Of course it is; it is absolutely a local issue; it is absolutely a State issue. But we have to do our part, too, whether it is passing the Ed-Flex bill so we can reduce some of the bureaucratic regulations or whether it is providing additional resources for those districts to shrink class size or working with teacher-training and technology. These are things we have to address, and I thank my colleague from Montana for his work on this.

Mr. President, I rise today to talk about an amendment I will be offering shortly on the Ed-Flex bill, which is going to be on the floor probably in the next several minutes. The amendment I offer is one that many of my colleagues have come to the floor to talk about and to support, because it is an issue that parents and teachers and community leaders and business leaders truly understand when it comes to the issue of education. That is the fact that too many of our classrooms are overcrowded; too many of our teachers are trying to teach to classes with 30 or 35 students. They are not giving students the individual attention they need in order for them to learn the skills that we need them to learn, whether it is reading or writing or math or science.

The Murray-Kennedy amendment which I will be offering will simply authorize a 6-year effort to help our school districts hire 100,000 new, well-trained teachers in grades 1 through 3. School districts will be able to use up to 15 percent of those funds for professional development activities so they can improve the quality of their teaching pool—something that all schools tell us they need. And, after meeting the target ratio of 1-to-18 in grades 1 through 3, school districts will be able to use the funds for professional development activities. This is an amendment, again, that parents and teachers and community leaders support. We have heard from law enforcement, we have heard from businesses, that we need to help address this from the national level.

When parents send their children to school next fall—next fall, 6 months from now—they are going to do what they do every fall when their child comes home from school on the first day. They are going to sit them down and they are going to ask them: Who is your teacher and how many children are in your class? They ask those questions because they know the number of students in the child's classroom will make a difference in their child's ability to learn that year and they know who their teacher is. If it is the best qualified teacher, their child will have a successful year.

Next year, next fall when they ask that question, those schools that those children attend will have a new tool for helping students to learn. That is because of the budget bill we passed last year. Because of our actions, approximately 30,000 new, well-prepared teachers will go into classrooms across this country and we will be able to say we have made progress.

Last year, as all of you will remember, I came to the Senate Chamber many times to fight to pass my bill, S. 2209, which was the Class Size Reduction and Teacher Quality Act of 1998.

You will also recall that I finally got my language into the appropriations negotiations and then worked closely with the administration and with leaders here on Capitol Hill to get it passed, and it did pass, after a bipartisan discussion and in a bipartisan way. Last fall, last October, Republicans and Democrats alike touted their success at providing local school communities with much-needed help to improve learning for every child by reducing class size in grades 1 through 3.

The American people are watching this week as we talk about education. They fully expect this Congress to continue to support education efforts that really work, such as reducing class size and hiring quality teachers. They want to know whether what we did last October was just for a political moment or whether we really are committed to reducing class size so our children across this country will get the kind of education they need. We started the job last fall and now we need to finish it. We have to provide the schools the remainder of the funding necessary to hire 100,000 new and better prepared teachers over the next 6 years.

Our first and best opportunity for a bipartisan solution is this debate on S. 280, which is the Ed-Flex bill that we are going to be discussing shortly. This is a perfect opportunity for early positive success, and people are watching to see if we are going to work together on this critical issue this year. This week Americans are telling Congress they want to see passage of the Murray-Kennedy amendment to reduce class size and improve teacher quality.

Mr. President, my class size reduction proposal honors the bipartisan agreement we achieved last year. It requires no new forms and no redtape. It focuses on hiring new teachers, but it also makes investments in teacher quality from the outset. It allows districts that meet their goals of getting to 18 or fewer students in classes in grades 1 through 3, to be able to use that money to improve class size in

other grades, or to take steps to improve the quality of their teaching pool.

Class size reduction isn't some new national idea. Local students, parents, teachers, State and local policymakers have asked for this kind of national investment in class size reduction for years. My proposal emphasizes local flexibility in making improvements.

Mr. President, let me talk for a minute about the Ed-Flex bill. Both last year and this year I have been very supportive of the Education Flexibility Partnership Act. That is because I think to change thinking among local and State policymakers is a good thing. It frees them from some of the restrictions that may keep them and our public schools from becoming the best that they can be. But a change in thinking alone is not enough. Local schools need action. They need investment. They need resources in order to show measurable improvement for all children.

With class size reduction funds, we will have new, well-trained teachers so every child, every child in this country, grades 1 through 3, can get the attention they need and that they must have in order to improve the quality of their learning.

Once local educators have a plan for improving student achievement, we must make key investments at the national level to help them get the job done. This means funding class size reduction, teacher quality improvement, and school construction. It also means passing Ed-Flex, which we all want to do. Today is our best chance to pass both Ed-Flex and class size reduction and send a strong message to local educators that we have heard their concerns and we are responding. Congress does need to pass Ed-Flex, but, more importantly, it must pass the Murray-Kennedy amendment to reduce class size and improve teacher quality.

Mr. President, we have to continue to improve the effort that we began last year, right here, in a bipartisan effort to help local schools, local teachers, and local communities get the results they need. Schools across this Nation are fully engaged in this debate right now over quality in learning and in identifying what works to improve learning for students. Local education leaders know that class size reduction is effective. They know as they reduce class size they can also improve the quality of their local teaching pool by improving professional development, training certification and recruitment.

Local communities are using the Federal class size and teacher quality effort as a way to beef up their own investment in the future of young people. Governors and State legislators across this country are proposing class size investments this year based on our successful efforts of last year. They are watching to see whether or not we really mean that we are committed to class size reduction or it was just a political move from last year.

In Washington State, my home State, Governor Gary Locke and key State legislators are debating these investments right now in Olympia and watching what we are doing so there is an important reason right now to pass the class size amendment today. Local school districts, school boards across this country—and I was a former school board member so I know what they do in February and March; they put their budgets together for the following years—are looking to us to see if we are going to continue this investment so that they can begin to put their budgets together and hire the staffs they need to make a commitment to now, so when those first hires are made in July, they know that this just wasn't a one-time bill, but this bipartisan Senate and Congress, this administration meant what they said last fall when they said class size reduction is a national priority.

We cannot wait to pass this amendment. We need to do it now so that those school boards and those local communities know that we say what we mean and we follow up on it right here in Washington, DC.

I will be offering this amendment later. I hope to be talking again about it today. This is clearly an issue for which parents and communities are looking to us, to trust the Federal Government. Will they follow up on their word? Will they make an investment that actually makes a difference? As we go through this debate, I will show you, all of my colleagues, and the country, studies that show that class size reduction makes a difference in student learning. We have a responsibility as the Federal Government. We have to live up to our commitment and not just make promises about education but truly make investments that work.

I thank my colleagues for the time this morning. I look forward to their support in a bipartisan way for the class size amendment.

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

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

The bill clerk proceeded to call the roll.

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

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

## EDUCATION FLEXIBILITY PARTNERSHIP ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 280, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 280) to provide for education flexibility partnerships.

The Senate resumed consideration of the bill.

Pending:

Jeffords amendment No. 31, in the nature of a substitute.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico, Mr. BINGAMAN, is recognized to offer an amendment.

Mr. BINGAMAN. Mr. President, I thank you very much.

AMENDMENT NO. 35

(Purpose: To provide for school dropout prevention, and for other purposes)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk on behalf of myself, Senator REID, Senator BRYAN and Senator LEVIN.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Mr. REID, Mr. LEVIN and Mr. BRYAN, proposes an amendment numbered 35.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted''.)

Mr. BINGAMAN. Mr. President, I am proposing the National Dropout Prevention Act as an amendment to this Ed-Flex legislation. As I indicated, the cosponsors of this amendment are Senators REID, LEVIN and BRYAN.

In my view, the amendment would create a much-needed program to target those schools in our country that have the highest dropout rates in the Nation. There is at present very little help from the Federal level going to some of these most troubled high schools, and the amendment is a valuable necessary addition to this legislation to begin moving ahead in solving this problem.

Improving our schools, as we are trying to do through the Ed-Flex bill and through many other initiatives in Congress, is not going to make a whole lot of difference if half or a third—some substantial portion—of our students have already left before they graduate and they are no longer in those schools to receive the benefits of that assistance. Efforts to provide better teachers, more flexibility, computers in the classroom, higher standards—all of those efforts—will be diluted if we continue to ignore the dropout crisis we have in this country.

We do have what I refer to as a dropout drain. This chart makes the point very graphically showing that—the bucket represents our school system—we have students coming out of the school system in very large numbers and not gaining the benefit of the education we are trying to provide.

At too many schools, dropout rates reach 30 percent and even 50 percent, according to a 1998 Education Week report. Most States do not publish cumulative data, but Florida recently found that its 4-year dropout rate approached 50 percent when they added the students who dropped out in the freshman, sophomore, junior and senior year. They got close to 50 percent in the State of Florida.

There are roughly 3,000 students who drop out on average each day in this country, according to the Department of Education statistics. About 500,000 students drop out of high school each year.

Let me indicate at this point, Mr. President, that the reason I am offering this legislation on the Ed-Flex bill early in this Congress is that if we go ahead and try to do this as part of the Elementary and Secondary Education Act, we will be talking about trying to do something 18 months down the road, because it is expected that the Elementary and Secondary Education Act will likely not become law until sometime late next year.

If that is the case, then we are talking not about 500,000 students per year, we are talking about a very large number of students who will, in fact, have left our schools with us sitting here trying to figure out what the right timing is to begin dealing with the problem.

These new dropouts will join about 4 million other young adults who are presently without high school degrees. There has been a lot of talk by the President and by many of us about ending social promotion, and we all favor ending social promotion. But if we pursue that, and pursue it with vigor, we may create an even greater risk for students dropping out of our school system.

Though dropout rates have not risen yet, higher standards mean more students become discouraged and fall through the cracks, unless there is some provision made to assist those students in meeting those higher standards. While some progress has been made for African American students, the real concentrated problem we have is in the Hispanic student population. Hispanic students remain much more likely to drop out.

Let me call people's attention to this chart called ''Status Dropout Rates for Persons Ages 16 to 24 by Race Ethnicity for the Period October 1972 through October 1995.'' What you can see here very clearly is that the rate of dropouts in the Hispanic community is up in the range of 30 to 35 percent. The rate for black non-Hispanic students and white non-Hispanic students is substantially lower, down in the area of 10 to 15 percent.

So we have a very serious problem and one that we have not been able to address, and it most directly affects the Hispanic students in our country and in our State.

One reason I became interested in this, Mr. President, which should be obvious—I am sure it is obvious to my colleagues—is that a very large percentage of our population in New Mexico is Hispanic and particularly in the school system. A great many of the young people in our State are Hispanic, and the problem affects us in a very real way.

The annual dropout rate is almost 5 percent each year for all States. And States, such as Nevada, where Senator REID, who is my cosponsor on this bill, and Senator BRYAN hail from, and Georgia and New Mexico, have a much more severe dropout rate.

Let me just say another word, before I go on to this chart here, about the issue of Hispanic students. The dropout rate for Hispanics has hovered near 30 percent for many years. That is more than three times the rate for white students, more than two times the rate for African Americans. The Hispanic population is the fastest growing population in our Nation, and many are being left behind in their educational opportunities while others are moving ahead. While the Hispanic students in our country make up 14 percent of all students now, they will comprise 22 percent by the year 2020. In large part due to differences in dropout rates, Hispanic workers earn only about 61 percent of what comparable non-Hispanic workers are earning. So you can see the problem is severe.

Referring again to this chart, unfortunately for Nevada, it is the State with the highest dropout rate. This is the dropout rate, on an annual basis, according to the Department of Education statistics. Twenty-nine States have provided annual dropout data. The other States have not provided that information. And, of course, they are not on this chart. But unfortunately, close behind Nevada and right behind Georgia is my own State of New Mexico, and the dropout rate there is 8.5 percent according to these statistics.

The National Goals Report—I serve on the National Education Goals Panel, Mr. President. And one of the discouraging things about serving on that panel has been that over the last several years—back in 1989, President Bush and the Governors met over in Charlottesville, VA, to set out national goals. And they had a very good vision of what they thought we ought to be trying to do as a Nation.

The second goal is that at least 90 percent of our students should graduate from high school before they leave school. Unfortunately, the reality is that we have not made progress on that. The National Goals Report, the latest National Goals Report, found that roughly 40 States have not made any progress in increasing school completion rates during the 10 years that we have had since that national education goal was agreed to.

Dropout rates affect more than just the students who leave school. Let me show another chart here which will make that point. While dropouts face a bleak future in terms of good jobs, communities that they live in are affected by higher crime, higher welfare rates, as well as very limited economic opportunity. Unemployment rates of high school dropouts are more than twice those of high school graduates. The probability of falling into poverty is three times higher for high school dropouts than for students who finished high school. The median personal income of high school graduates during the prime earning years, 25 through 54, is nearly twice that of high school dropouts. So we have a very serious problem here.

At the present time, there is no Federal program dedicated toward eradicating the problem. This $150 million that we contemplate in this legislation, this amendment, would allow us to help 2,000 schools with the highest dropout rates throughout the country. With funds that they could receive from the State, these schools could restructure themselves in ways that have proven to lower dropout rates.

We do know some of the ways schools can lower dropout rates. We need to get that information out better, and we need to give schools the resources to act on that information. This is necessary because most Elementary and Secondary Education Act programs, including title I, which of course is the largest program we authorize through the Elementary and Secondary Education Act, do not reach significant numbers of high school students.

In our most troubled communities, this creates a very real dropoff in support services when students move from an elementary or middle school with a strong title I program. They get the assistance at the elementary level, and even at the middle school level, but when they get to high school, the assistance is not there.

Not even GEAR UP, which is a newly created tutoring program to help middle school students and provides real support to help schools make fundamental changes to the way they are organized and run, that program itself is not available to solve this problem.

Mr. President, this is not the first time that we have had a chance to act on this legislation. I offered this legislation last year to the bill which Senator COVERDELL had sponsored on education issues. It was adopted here in the Senate. We had 74 Senators who supported the exact legislation, identical legislation last year. It has been endorsed, this amendment, by the Council of Great City Schools, by the Hispanic Education Coalition, and by the Education Trust.

Local schools need to decide how best to address the problem in their community. And we are not trying to dictate what any local school does to solve this problem. The legislation gives districts the power to choose from a broad array of proven, effective approaches to the dropout issue.

As in the Obey-Porter program, States would receive funds on a formula basis identical to title I, and districts would compete for grants of not less than $50,000 from the State.

The dropout problem can be addressed through school-based reforms. While many excuses are made for the dropout problems, in fact school-related factors are cited most often by the students themselves, the students who do drop out of school. When they are

surveyed and asked why they left school, in 77 percent of the cases, they cite school-related factors as the reason. These are students who are failing—who are failing—who do not like school—they do not get along with their teachers or their peers and basically have found that there is nothing there in the school to keep them there.

When you look at the top school-related reasons getting behind that other statistic, the top school-related reasons, the first or the most often cited top school-related reason is that they were failing or they could not get along with their teachers, and that is a reason for the students dropping out. They do not like school. They could not get along with students, felt they did not belong. They were suspended or expelled in 25 percent of the cases; and they did not feel safe in 10 percent of the cases.

These are school-related concerns which the schools themselves can begin to address, Mr. President. This is not something where we can say it is up to the parents. ''If the kids don't want to go to school, it's the parents' problem, it's not the school's problem.'' That has been the approach we have taken for decades in this country to this issue, and it has not gotten us where we need to be.

Let me also talk about the size of schools. Small schools, academy programs, challenging material, alternative high schools, all of these have proven effective ways of addressing the needs of at-risk students in large, alienating, boring high schools.

Mr. President, it is clear when you begin looking at this problem—and I see it in my State—the problem is most severe in our large high schools, in our large middle schools where students feel anonymous, where there is very little interaction between the student and the teacher. And that problem is severe.

In particular, this program that we have proposed here will allow us to make large schools smaller without building new school buildings. School size does matter. Yet we are still forcing our young people to go to very, very large schools. And in some places they have taken the very innovative step of breaking large schools into smaller schools where you have schools within schools. And that is part of the solution, I believe.

In New Mexico and throughout the Nation, fewer than one out of three high school students goes to a school that has 900 or fewer students. That is the ideal size for a high school, according to studies that have been done nationally.

Part of the funding we are trying to obtain through this legislation would be made available to schools to restructure into smaller learning communities. More and more research is showing that large middle and high schools are alienating and anonymous places for children to learn. This contributes to their disinterest in school, their lack of contact with caring adults. This bill would help large schools revamp themselves into smaller academies, schools within schools.

There is a reason why our private schools are doing well. One of those reasons is that most of them are very small. Clearly, we need to learn from that in the public school system. Schools with high dropout rates receive little, if any, Federal assistance in turning themselves around.

The vast majority of the Elementary and Secondary Education Act programs are targeted to our elementary schools. We need to restore the ''S,'' which stands for secondary schools, in the ESEA legislation. ESEA stands for Elementary and Secondary Education Act. Unfortunately, we usually forget about the ''secondary'' education aspect of the Elementary and Secondary Education Act.

Addressing the dropout crisis in my State has become a real priority for me. We have made some progress in the last 2 years but we still have one of the highest dropout rates in the Nation, with over 7,500 students dropping out in the years 1995 and 1996.

In the most recent State-level report, New Mexico's annual dropout rate had fallen to under 8 percent, contrary to the statistic I had on the chart, but the rate is nearly 10 percent for Hispanic students and over 8 percent a year for Native American students.

There are innovative programs that will help us deal with this problem. In my State, we have a truancy prevention initiative in Clovis, NM. We have a Value Youth Program in Cobre High School in Grant County, NM. In Santa Fe we have a dropout prevention task force. We have a dropout czar who has been appointed in the Albuquerque schools.

Clearly, there is much more that can be done. This legislation will provide some of the resources to do that. I believe very strongly that this is something we should do now.

Before my cosponsor speaks on this issue, let me reiterate why we need to do this now. We should not be sitting around Congress biding our time and assuming that this is not a problem that deserves emergency attention. This is a problem that deserves emergency attention. It is in our best interests on a bipartisan basis to pass this legislation now, early in the session. I believe we can do that. I very much urge my colleagues to support the amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, if I could engage in a conversation with the Senator from New Mexico, it is stunning to think that 3,000 children drop out of high school every day. Is that difficult to comprehend?

Mr. BINGAMAN. Visiting high schools, as I know the Senator has done a lot, you run into students on the verge of dropping out. You sit down with students who have dropped out and are back in school and talk to them about the reasons.

There is a problem here that we have left unaddressed too long, in my opinion.

Mr. REID. We talk about this being an emergency. Think of the fact that 82 percent of the men and women in our prisons around this country are high school dropouts.

Mr. BINGAMAN. That is true.

Mr. REID. If we had no other statistic than that, it would seem this is an emergency.

Mr. BINGAMAN. That is exactly right. Clearly, if we can resolve this problem, reduce this problem, we will have an impact on the number of our young people who wind up in criminal activity. I think it is a priority for that reason as well.

Mr. REID. I also say to my friend from New Mexico, this is a good bill. The amendments that are going to be offered at the appropriate time dealing with class size and the number of new teachers—the Senator agrees with me that that is important?

Mr. BINGAMAN. Yes.

Mr. REID. But I believe there is nothing more important than keeping our children in school. All these other things I support, and I am behind them all the way. In fact, would the Senator agree with me that perhaps it is more important to keep our kids in school?

Mr. BINGAMAN. Mr. President, let me just respond by saying I think you can do an awful lot to improve the quality of education. If the students aren't there in the classroom to benefit from that, all of that effort goes for naught.

I do think we need to address this problem as we try to upgrade the quality of education. Clearly, this problem has gone unaddressed for way too long.

Mr. REID. Mr. President, I say to the Senator from New Mexico I went to a high school that had a few hundred kids in it. I moved from a very small rural town in Nevada to what I thought was a very, very big high school. The size of that school today is insignificant compared to the size of the high schools in the metropolitan Reno-Las Vegas area. There are numerous Las Vegas high schools that have over 3,000 students.

The Senator displayed a chart indicating the reasons kids drop out of school—failing, couldn't get along with teachers, didn't like school. Can you imagine how lost a person would feel coming from Searchlight, NV, which had 1 teacher teaching all 8 grades, to a school with over 3,000 kids? I think it would be easy not to like school, wouldn't the Senator think?

Mr. BINGAMAN. Mr. President, I agree entirely with the point.

I visited some of these very large schools in my State. The truth is, when they ring the bell to change classes, you almost have to get out of the way, because you are going to get knocked to the floor if you stay right out in the

middle of the hallway; there is such a rush of activity.

I do think there is a real problem in the size of our schools. Whenever you get a school that is so large that nobody really pays attention to whether or not a student comes to school in the morning, then the school is too large, in my opinion.

Mr. REID. I say to the Senator from New Mexico, he was always very faithful in attending when I had the responsibility of the Democratic Policy Committee and we did a retreat. And he will remember a woman by the name of Deborah Meier came to speak to the group of Senators assembled. As the Senator may recall, she had been an elementary school principal in New York in this very, very large public school. She came to the realization one day as principal of the school that she was basically wasting her time. The scores of the children were very bad; there was nothing she could seem to do that was right in helping these kids achieve.

So she went to the school board and said she would like to try a radical experiment: We have this elementary school; let's break it up into four separate schools. We will have four separate principals, four separate sets of teachers. It will be like four schools in one building. They will each have their separate identity, with separate names.

She has written a book entitled ''The Power of Their Ideas.'' In this book she talks about this and how immediately the grades soared, the scores on their national tests soared.

Does the Senator remember that presentation?

Mr. BINGAMAN. In fact, I had the good fortune to go to that school in New York and see some of that success. It is a great success story and it shows the value of a small school where you have teachers and administrators and students and parents, all taking ownership in the education process. That is what she was able to create.

Mr. REID. I thank the Senator.

Mr. President, I express my appreciation to the Senator from New Mexico for his substantive contribution to what goes on here in the Senate. There are very, very few Senators in the history of this body who add so much substance as the Senator from New Mexico. He is a person who, by education alone, should contribute—Harvard undergraduate, Stanford Law School. But it is more than just the education. He has put his education and his experience to the benefit of the people of the State of New Mexico and this country.

There is no better example of that than this legislation which I am honored to be able to cosponsor with the Senator. Again I repeat, of the people in prison today, if there were 100 people in prison in our country today, 82 of those prisoners would never have graduated from high school.

Let's say there were 1,000 prisoners in America today; 820 of those would never have graduated from high school. If there were 10,000 prisoners, 8,200 would never have graduated from high school—and on and on, until we get to the point where we have approximately 1 million people in prison today, and 820,000 of those have never completed high school.

Mr. President, every day, 3,000 children drop out of high school. Every day. It would seem to me that there should be no greater concern in this body than making sure that that does not happen.

Now, I don't expect magic to occur tomorrow after this legislation passes, and that we are going to have all 3,000 children stay in school, but let's say that we could make some progress so that only—I say that with some trepidation—only 2,500 dropped out every day. That would mean 500 children every day would be children who could arrive at a better life. They would be able to achieve what they should be able to achieve.

The concerns that we have with this dropout rate is magnified every day when you read in the paper about people doing things wrong. Most of them are high school dropouts. And 500,000 students dropped out of school before graduating from high school every year. I am sorry to say that dropout rates are the highest in the southern and western regions of the country.

I am very embarrassed to say that in the State of Nevada, 1 out of every 10 children drop out of high school. I wish we did not lead the country, but we do. We have to do something to change dropout rates all over the country. Of course, Nevada, as I have said, leads the Nation, but no one else should feel very high and mighty about the fact that only 8 or 9 out of 100 drop out in other States. It is too many. We have to make sure that there is progress made in lowering the national dropout rate.

Why do children drop out of school? The reasons are diverse. We talked about some of them with Senator BINGAMAN earlier. We must invest in diverse, innovative solutions to help kids stay in school. What we are talking about here, Mr. President, is not some vast Government program. In fact, the same legislation that we are talking about today, Senator BINGAMAN and I offered last year in the form of an amendment, and it passed. We got 74 votes in the Senate, but it was killed in the House. I hope we get more than 74 votes this time. I can't imagine how anyone could vote against this legislation.

We are asking that there be $30 million a year for the next 5 years—a drop in the bucket out of the $1.5 trillion we spend basically every year—establishing within the Department of Education a division, a bureau, the sole responsibility of which would be to work to keep kids in school. They would do that by looking around the country at programs that are successful. There are some that work pretty well. We would tell school districts to apply for a grant, a challenge grant, and we would give them the money to implement that program.

This would not mean the Federal Government is micromanaging what goes on in school districts. The school districts would manage every program the Federal Government would assist them with. There are some really fine programs around the country. In fact, on a web site, every month, there is a model program dealing with dropouts. Every month, they put on the web site a program that they think should focus attention on keeping kids in school. The model programs in March were called the Truancy Intervention Project and Kids in Need of Dreams. The pseudonym is TIP and KIND. These programs have dealt with kids of all levels. We can't just go to a high school and say that is where we are going to start keeping kids in school. We have to work from the time they start kindergarten. It is a program that kids don't just drop out of school in the 9th, 10th, 11th or 12th grades. Their inclinations and feelings about school develop much earlier than that. That is why I talked with the Senator from New Mexico about the great program in New York where they broke up a very big elementary school and suddenly found that the kids weren't slower than other kids, that they weren't less inclined to learn than others; they just needed a setting for learning. That is why we need to have this bill passed, so that schools around the country that are having problems with dropout rates can at least meet part of their needs.

The program I talked about—the model program in the month of March—is a program whose objective was to provide an early positive intervention with children reported as truants, because truancy usually characterizes other symptomatic behavior. TIP volunteers work to determine and satisfy their clients' needs so that the clients may return to school. The program works to meet the daily necessities of clothing, water, heat, transportation and long-term needs. They even go into drug, psychiatric, tutoring and child care. It is a program used in Fulton County, GA. Its funding came from an Atlanta law firm and other private donations—the law firm of Alston and Byrd. As I say, this is the model program of March on this web site.

In Las Vegas, at Horizon High School in the Clark County school district, there is a program there dealing with teen mothers and fathers and pregnant teens. This is a program that is part of the alternative education project that facilitates high school graduation of teen parents and pregnant teens by providing quality day-care services. There may be some who say, Why should the school district get involved in such a program? Well, as the Senator from New Mexico mentioned, we are going to cut back on social promotions, but we don't want to dump out in the streets all of these kids who

are not going to be socially promoted. We need programs to get them into the next level honestly. We can do that with summer alternative programs, afterschool programs, tutoring programs. When a child, for whatever reason, becomes a parent, he or she should not automatically have to drop out of school. That is why the program in Las Vegas is something that I think deserves national attention.

These classes are set up to keep these kids in school—kids having kids—and are structured to provide these children with skills in listening, speaking, independent thinking, and even personal hygiene. There are programs in the Western States—and I am certain the Senator from New Mexico can appreciate that. We have programs where we focus on Indian children. There is a program in the Washoe County school district that focuses on keeping Indian students in school. There is a tremendously high dropout rate with Indian children. The program that is being tested really to work with these children is one that I think will work very well; it is called Phone Work. It is a voice mail approach to assist parents and teachers in the monitoring of the students' homework assignments. Parents are able to leave recorded messages for the teacher, providing a two-way communication between home and school. The teacher's responsibilities include recording daily assignments by a certain time of day, verifying each student's class assignments, written in the Phone Work assignment book, and that each student takes home books and materials that are needed. Student responsibilities include recorded homework assignments, taking books and materials home, and having parents check completed assignments and assign a designated time and place for a student to study. These are details that some may think are not important, but if you are trying to keep children in school—and there are some difficulties because the parents work, but this system allows, through the telephone—a program called Phone Work—that the teacher and the parent keep in touch and work to keep this child in school.

One of the programs that I have worked on and have been impressed with is a program called OLA in Carson City. Surprising to most people is the fact that Nevada has a large number of Hispanic students, Hispanic people, but more students than adults. We have in the State of Nevada, in the Clark County school district, in the Greater Las Vegas area, the eighth largest school district in the United States, and over 25 percent of the students in the Clark County school district are Hispanic.

Other places in Nevada also have large Hispanic populations. In Carson City, NV, our capital, we have a program, as I have indicated, called the OLA Carson City Program, designed to keep Hispanic children interested in school. It has done a remarkable job. It has been in existence for 4 or 5 years. They produce a television program where they interview people who work in government, who work in the private sector. I have been doing interviews in their program at their station for some 4 years. They are excited young people. They not only do television, they are not only involved in the TV station, but they are involved in other things. This has helped these kids—I have heard them say so—develop self-confidence. They are proud of the fact that they can speak two languages. When I go there, one of the students will interpret for me. They have become more confident since connecting with the community. They have a recognition of the opportunities that are available to them. Their personal goals have risen steadily. They have won awards and honors in the community for their efforts. They have become actively involved in communicating their importance to their peers and to younger Hispanic youth. They started a tutoring program. There is a youth leadership club, advanced group, enthusiasm, volunteers for all kinds of programs in the community. They work in the juvenile justice system. The Governor selected them to work in the Goals 2000.

This is a wonderful program, Mr. President, one that should be available to the rest of the country. That is what this amendment provides. It makes these programs available to the rest of the country. I think that is all we can ask for—that school districts have the ability. If they want to make an application saying they have a dropout problem, what programs are available? What programs would meet their needs? Have experts give them different alternatives, and they can choose from those. If their grant is in effect, then it is up to them to implement the program; the Federal Government stays out of their lives.

We have a significant problem in southern Nevada especially. That is rapid growth. We have the most rapidly growing city and the most rapidly growing State in the country. We have to keep up with the growth in the schools. We have to build a school and a half a month to keep up with the growth in the Clark County school district. We hold the record of dedicating 18 schools in 1 year. The growth is phenomenal. Our long-time superintendent of schools is a very courageous, very good superintendent by the name of Brian Cramm. He has become more of a construction superintendent than a school superintendent. Think of that—a school and a half a month. The goal has been met. In 1 year, 18 schools were dedicated in the Clark County schools. But in an effort to accommodate all of these students, we have huge schools. As Senator BINGAMAN and I have spoken about, we really need to focus on ways of having smaller schools.

I frankly don't think, unless the Federal Government recognizes this high school dropout problem is the problem that it really is, that we are going to get help. One of the things we have tried to do, separate and apart from this amendment but which will complement this amendment, is to get school construction money. School districts all over the country are having bond issues fail. We are very lucky and fortunate. We are blessed in southern Nevada because the people in Clark County are continuing these bond issues. Over $2 billion in bond issues have passed in four separate elections during the last 10 years—over $2 billion. Around the rest of the State of Nevada, though, they haven't been so fortunate. Schools are not being built because they cannot get the bond issues passed. We have some counties which simply do not have the financial wherewithal to build new schools. They are in counties where there is a lot of Federal land. There is no mining. There is minimal ranching going on. They simply can't afford to build new schools, and kids are being educated in facilities that really, in the eyes of some, should be condemned.

The bill for school construction would help rapidly growing school districts such as Clark County and Lincoln County, which need help because of the lack of economic growth in those counties. That is something that could complement this and hopefully would have school districts focus on not how big they can build a school but how many schools they can build to accommodate the children.

I hope, Mr. President, that this issue dealing with 3,000 children dropping out of school every day is something the Senate will focus on. It is, as I have indicated, the No. 1 problem as far as I am concerned with our schools today—children dropping out of school. I recognize the reason for children dropping out of school is varied. There are a lot of reasons they drop out of school. But whatever the reason, it is a situation that we must focus on. We must do something to keep children in school.

Mr. President, let's talk about the future for high school dropouts. We know that unemployment rates of high school dropouts are more than twice those of boys or girls who graduate from high school. The probability of falling into poverty is three times higher for high school dropouts than for those who have finished high school. The median personal income of high school graduates during the prime learning years—25 to 54—is nearly twice that of high school dropouts.

I have to mention again that 82 percent of the people in our penitentiaries or prisons or jails around the country are high school dropouts. The children of high school dropouts, it has been statistically proven, have a much higher probability of dropping out of school than children whose parents did not drop out of high school.

Let's look, as Senator BINGAMAN did, at Hispanics and what is happening around the country with Hispanic children. I talk about the OLA Carson City Program, which is a miracle program. It is working wonders in Carson City.

But we have too many Hispanic children all over the country dropping out. We have too many Hispanic children dropping out of schools in Nevada. We talk about a dropout rate of over 30 percent, which is some 200 to 300 percent higher than other children and something we should become concerned about.

Why are so many Hispanic children dropping out of school? The bulk of Hispanic students who come to Nevada and the western part of the United States are from Mexico. Mexico does not have a tradition of public education. In addition to that, there are language problems that we all realize. We also have the phenomenon that Hispanics are noted for having a really good work ethic. They believe in working hard. They are not afraid to work. That is a bad combination, because with the shortage in the labor market there are people who entice young men and women who are Hispanic to go to work. That gives them another excuse not to be in high school, because they are making fairly decent money. The fact of matter is, they are still doing those entry-level jobs when they are 55 or 65 years old.

We have a problem that we have to identify. The Hispanic students have a dropout rate of 30 percent compared to an overall rate of 11 percent. And the 30 percent is lower than it is in a lot of places. Unemployment rates for Hispanics is high. That is because, for those who have not finished high school, it is really hard to get a job. Forty-nine percent of all persons living in Hispanic households receive some type of means-tested assistance.

We can make all of these figures disappear with a high school education. We need to do that.

As we all know, with this new census that is going to be completed in a year and a half or so, it is going to show a tremendous rise in the number of people of Hispanic origin making up the population of the United States. By the year 2030, Hispanics will make up 20 percent of the population of the United States. Even about 10 years from now, by the year 2010, the Hispanic origin population is projected to become the second largest ethnic group in the United States. Soon, as you know, it will be the No. 1 ethnic group. We need to address the dropout problem in this country for everyone, but especially for the Hispanics. Hispanic leaders all over America understand this and are working hard. But I think we need to focus on what we can do in the Department of Education to assist them.

I have spoken to the Hispanic leaders in the State of Nevada and this is clearly the No. 1 problem—keeping their youth in school, having them finish high school. That is how the national Hispanic leaders feel also.

If we do not address the dropout problem in this country now, we will be faced in the future with a weak and uneducated workforce. We don't need that. We can't stand that. We will have increased unemployment rates, increased prison incarceration rates, and an increase of people on welfare and other Federal assistance programs. By keeping our kids in school, we are attacking much larger social and economic problems.

It may be a surprise to many, but there is no national plan to lower the dropout rates—there is none—and no targeted program to help schools most in need of restructuring to lower dropout rates and raise achievement. We would all think this should have been done a long time ago, but it has not been. I think it is time to keep our children in school. It should become a national priority.

Again, unemployment rates of high school dropouts are more than twice those of high school graduates. The probability of falling into poverty is three times higher for high school dropouts than for those who have finished high school. The median personal income of high school graduates is twice that of high school dropouts. The median income of college graduates is three times that of high school dropouts. For the fourth time: 82 percent of our people in prisons have not graduated from high school. Need we go further?

So I hope this bill will receive overwhelming support and that we can get this bill passed in the House of Representatives. This is something that is important. This amendment is as important as the underlying legislation—I believe more so. I, again, express my appreciation to the people of the State of New Mexico for sending to the Senate someone with the abilities, the skill of Senator BINGAMAN. This amendment is an important amendment. It has been an honor for me to work with him on this. I repeat, I hope the Senate overwhelmingly passes this much-needed amendment.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. I thank both Senators for raising this issue. There is no question but one of the most severe problems we have—probably the most severe problem we have—is the large number of dropouts in the schools. Certainly they have delineated their feelings on that very accurately.

But I also point out, however, we are dealing this year with the Elementary and Secondary Education Act reauthorization. These programs, and I am sure there will be others which will be offered on this bill, are all worthy of a very substantial examination. In fact, we have already started holding hearings on reauthorization of the Elementary and Secondary Education Act. Those hearings are going well. We will be holding many more. Two-thirds of all the money we spend in education at the Federal level is on the Elementary and Secondary Education Act. That is where the money is. Thus, that is where these amendments are appropriate.

I want to assure both Senators that it is my intention to give top priority to such programs as those for dropouts. This Nation, however, has a very serious problem with respect to education. The Senator from New Mexico and I sit on the Goals 2000 Panel. We have been there, frustrated, because over the period of time we have been on it we have not had any measurable change in the statistics in this country about the state of our education.

The President has appropriately also pointed out the difficulties of social promotion. We are looking into that, obviously. There are programs that are required for that, but it is not easy to do it program by program. That is just not the way it should be handled. It should be handled in a coordinated effort, which we are doing, with hearings, to fully understand why, for instance, there are dropouts, why kids are dropping out, before we suddenly come up with a program that is going to attempt to alleviate the problem.

So I want Members on both sides to please refrain from offering amendments that should be appropriately considered in the Elementary and Secondary Education Act's reauthorization, because only with coordinated hearings and sitting down and working together can we come up with a coordinated plan to handle all of these very serious issues which we have. I am hopeful the Senators would withdraw this amendment at this time. They have my assurances that we will be discussing fully the matter of school dropouts when we get into the hearing process.

We are already into the hearing process. They are all tied together. We did pass, this past year, at least one or two efforts: The Reading and Excellence Act, which gets into the questions of why people drop out; and we have others that we passed last year that we are studying in terms of professional training and all that. There will be other amendments, I am sure, that we have heard about, that will also be right in line addressing the problem.

There is one, I understand, on principals, principal training, and there will be a number of other amendments which they will offer. But I want to say I am not willing to accept amendments which will do what may be a good idea because of our purpose right now. Every 5 years we reauthorize the Elementary and Secondary Education Act. We should concentrate on this right now. We have to have a coordinated effort on it.

First, we must delineate specifically what the students should have when they leave the school. We know they should read. We have the social promotion situation that if they don't read, we just push them on through. The statistics are startling in that regard. Over half of the young people who have graduated from high school have graduated functionally illiterate. The primary cause of that is social promotion. What we do to try to alleviate that through ESEA is something we have to look into.

Why do students drop out? We need to look into that very thoroughly. Obviously, a great deal of that usually occurs in the middle school area where young people come through and they don't see any relevance of education to their lives. We have to look into how to alleviate the middle school problem.

One of the problems there is the lack of training of principals. That is another area we should be looking at in the Elementary and Secondary Education Act. But right now I want to be very clear: I do not think we should be using this bill to do that. This bill is one which will just help the States now to be able to deal with some of these problems with more flexibility in the way they can handle their school systems in the allocation of funds. They need that flexibility now to handle these problems. We should concentrate on the reauthorization and not try to do it piecemeal on this bill, which is left over from last year. We got 10 good bills out. We didn't get this one out. The committee handled the bill. I don't think these were offered as amendments at that time. Certainly I had the same attitude then as I do now.

With that, I urge Senators seriously to consider not offering these at this point and wait for the Elementary and Secondary Education Act to do that.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Nevada sought recognition first.

Mr. REID. Mr. President, I say to my friend from Vermont, the manager of this bill, we need flexibility now and I acknowledge that. But we also need something to address these children who are dropping out of school now, 3,000 children a day. I can tell my friends in the majority, they may table this amendment today or tomorrow—whenever they decide they want to do it—but they better get used to voting on it. Because every time a bill comes up, whether it is missile defense—it doesn't matter what it is—I am going to offer this amendment.

Mr. President, 3,000 children are dropping out of school every day and we have to do something about it. It received 74 votes last year. Let people who voted for this bill last year come and vote against it this year and get it lost in the hole on the other side of the Congress.

This bill needs to pass. We have children dropping out of school every day, 3,000 of them, 500,000 a year. Eight-two percent of the people we have in prison are high school dropouts. Do you think that is something we should address, or wait for a 5-year education bill?

This is something that people, if they are going to vote against it, they are going to vote against it more than once, because I am going to keep offering this. I do not think there is anything more important we can do than vote on keeping our children in school.

Mr. VOINOVICH addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. VOINOVICH. Mr. President, I share the concerns about the dropout rate in this country with the Senator from Nevada. I am very familiar with the dropout rate in the State of Ohio and what we tried to do to deal with the problem.

I contend that the passage of Ed-Flex will allow many States today to better utilize the money coming into their State to do a better job in those early years with youngsters so that they will be successful and they will stay in school.

For example, in the State of Ohio, we have used the Ed-Flex waiver on the Eisenhower Professional Grant Program to allow teachers to learn how to do a better job of teaching and helping children to learn. We have also allowed some of that money to be used in areas where kids are having the biggest problem, for example, in reading. We have seen that by using Ed-Flex, we have been able to do a much better job helping youngsters to learn, the same way with the waivers that we received in Ohio under Ed-Flex under title I, to be able to use those dollars in a more efficient way so that we can really make an impact in the lives of the children where the teachers feel that it will do the most good.

Again, we have seen the statistics from 1996 and 1998. Where we have had Ed-Flex, the kids are doing better, because they have had a waiver on the Eisenhower Professional Grant Program under title I.

There is no silver bullet in terms of the issue of dropout rates. When I became Governor of Ohio, I went to the head of the Department of Corrections and said to him, What can we do to keep down the prison population in the State of Ohio? His answer was, Head Start; we have to get involved with these youngsters earlier. So we went to town on the issue of Head Start, and today my State is the only State where every eligible child whose parents want them to be in preschool or Head Start is in the program. That is the responsibility, I believe, of the Governor of the State and the people involved in the State in education. They need to make these early childhood programs.

For example, you will be hearing from me later on in this session in terms of the use of TANF money. We have a very good program in our State called Early Start, where we are going to families as soon as that baby is born and intervening and trying to make sure that during those first 3 years of a child's life, they develop those learning capacities that they need to be successful in school. Too often these dropout programs are dealing with the end of the line, and that is what we, as a government, ought to be doing, making a commitment to intervene early on. That is where you can really make a difference in terms of having a program that deals with birth to 3, zero to 3, intervening earlier in the lives of our children to make that difference.

In addition, I think people should understand that there are lots of dropout programs in this country. I have been chairman of a group called Jobs for American Graduates for a couple of years. As a matter of fact, Senator ROBB from Virginia at one time was head of Jobs for American Graduates, and Senator JEFFORDS is very familiar with the Jobs for American Graduates Program. It is a program that has been in existence for 19 years and has served over 250,000 young people.

What we do is, we identify kids in the 12th grade who are in need of help. We get them into a job club. We intervene, and 90 percent of them stay in school. Then we follow them a year afterwards to find out what has happened to them, and they are either in secondary posteducation or they are in the service or they have a job. This program is in existence in about 28 States and territories in the United States.

I say to Senator REID of Nevada, we tried to get the program into the Las Vegas school system and they turned us down. Governor Miller tried to also do the same thing, and they turned us down. I suggest to Senator REID that he ought to talk with the people in the Las Vegas school system and ask them why they are not part of the Jobs for American Graduates Program, the most successful dropout program in the United States.

Mr. REID. Is the Senator directing a question toward me?

Mr. VOINOVICH. I would be glad to have the Senator answer that, sure.

Mr. REID. The Senator would have to ask Senator Miller—a Freudian slip there—Governor Miller that question. There are a lot of good programs in the country. That is the whole point of this amendment, that we have to have these amendments, these different programs available to everybody in the country. Then the school districts can pick and choose those. You may think that program is the best program in the country. Others may disagree. But the fact of the matter is, this amendment that I am offering does nothing to take away from the ability of school districts to manage their schools any way they see fit. It does give the resources to the school districts all over the country that they now do not have. I think it certainly seems that we should have a national strategy for dropouts, which we now do not have.

Mr. VOINOVICH. Mr. President, I point out that today our Jobs for American Graduates Program is utilizing—listen to the Federal programs that we are already utilizing. We are utilizing the Joint Training Partnership Act. We are using School to Work Opportunities Act. We are using the Wagner-Peyser Act. We are using the Carl Perkins Vocational Education Act funds. We are using the title IV Safe and Drug Free Schools funds. We are using the Criminal Justice Crime Prevention funds. We are using welfare reform funds.

The point I am making is that, No. 1, the dropout issue is a national problem, but it is primarily the responsibility of State and local governments. It

is up to the Governors and to the local people, local education people to respond to the problem. For example, in the JAG program, when I came in as Governor, we were spending about $4 million. Today we are spending $22 million in the State of Ohio, because we understand how important it is to try to identify these youngsters who are going to drop out of school and keep them in school. That is just a phase of it.

When you talk about dropout, you have to look at the entire specter of the cause of the dropout program.

I will go back to what Senator JEFFORDS has just said. It starts out with Early Start. It starts with Head Start. It starts out with technology in the schools.

An interesting story. I went to our prisons and visited those where they are ready to come out into society. I went in and I asked a question, How many of you graduated from high school? Not one hand went up. They were there working with these computers. I asked them what they were doing, and they pointed out to me that they were getting ready to get their GED. I remember after leaving there—it was about 7 or 8 years ago—I said to myself, we have computers in our prisons to help people get their GED and prepare them to go out, and we didn't have computers in our schools in Ohio. So we undertook a program to wire every classroom for voice, video and data. We brought computers into every classroom. It is amazing what is happening in elementary school. What you have to recognize is the reason why a lot of these youngsters drop out of school is they are not doing well. They have not had Head Start. When they get to school, they do not have the tools that are necessary to get the job done.

For example, in our State now, we have reduced the class size for first, second, and third grade to no more than 15 because we know those years are so important. So to stand here and say we need a program for dropouts, it seems to me that if we really want to get at the dropout problem in this country, this Congress should sit down and look at all these programs that we have and figure out how we can do a better job with the money we have to really make a difference. And we also ought to understand it is not our primary responsibility. It is the responsibility of the Governors; it is the responsibility of those local school superintendents and those local school boards and the people that are there to get this job done.

And for them to send money to Washington and then turn around and have it go back, I do not think is the best way to get the job done. On the other hand, the Federal Government should be trying to figure out how they can be a better partner.

I suggest a nice little task force that we could undertake in this Senate could sit down and look at these various programs, how do they fit together, how can we better maximize those dollars, and maybe look at some programs that we already have and say, if we put a little bit more money into this—for example, if we allow the States to use more of their TANF money to deal with this big problem, if they do not have education—they will not go on welfare.

There are a lot of things that we can do, I think, if we just sat down and looked at what we were doing. And one of the things that we can do, Mr. President, I think, is to pass Ed-Flex because Ed-Flex will give us a little better opportunity to take the Federal money that is coming in and really make a difference in the lives of kids.

And one of the things that I heard when I sat in your chair, Mr. President, during the debate earlier on was about accountability. In those school districts that are getting waivers for Eisenhower Professional Grants, getting waivers for title I, what have we found out? We are finding out if the programs are working. The ones that have not asked for waivers, we do not know what they are doing in terms of making a difference in the lives of children.

I say to Senator JEFFORDS, I think one of the great benefits of the Ed-Flex program is that when you make application you agree, first of all, to waive a lot of State statutes and also rules and regulations, but you also agree that you are going to meet certain standards; and you are held accountable toward those standards.

So I am saying to you that the schools in this country, in our 12 States that have taken advantage of Ed-Flex, at least we know whether or not some of this Federal money is really making a difference in the lives of children. And the more our schools can go to get waivers, I think the more accountability we are going to have. And it is one aspect I do not think has been talked about enough here on the floor of the Senate.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. First, I thank the Senator from Ohio, who has had great experience in this area with respect to being Governor of that State. And watching what they have done makes me happy to know that we have a Senator with us now who has that experience in the immediate past. I look forward to looking to him for guidance.

Mr. LEVIN. Mr. President, I am pleased to cosponsor the School Dropout Prevention and State Responsibilities Act which is aimed at lowering the student dropout rate in our nation's schools. We cannot have high expectations that our young people will be prepared for the challenges that lay ahead if they have not attained at least a high school diploma. The fact is that over half a million high school students drop out each year, joining almost 4 million young Americans who lack a high school diploma and are not in the process of getting one.

Mr. President, it is a bipartisan National Education Goal to increase high school completion rates to 90 percent and eliminate gaps in the rates of graduation among different groups, according to the goals established by the Governors and the President in 1989. However, there has been no progress in lowering national dropout rates. As a matter of fact, there is currently no targeted national funding to help schools most in need of restructuring to lower their dropout rates.

To help schools in their efforts to reduce dropout rates, this amendment would authorize $150 million annually over five years to create a coordinated national dropout prevention program. Under this proposal, States would receive funding according to the Title I formula, and would then award competitive grants to schools or local education districts with the highest dropout rates. The goal is to enable such schools to implement proven and widely replicated models of comprehensive dropout prevention reforms such as, for example, the Lansing School District in Michigan, which has established a mentoring program with community leaders and the ''New Beginnings'' program for students who have been expelled to keep them in school; and the Detroit Public Schools' successful 9th grade restructuring program which is advancing up to the higher school grades.

In addition, this amendment will create a national system of data collection and sharing, so that we have a complete understanding of the extent of the dropout problem. If local school districts are to curb middle and highschool dropout rates, they must have uniform data and statistics. This amendment, which creates a national clearinghouse and a dropout ''czar'' within the Department of Education, will give middle and high schools the tools they need to keep our youngsters in school.

Mr. President, this amendment is identical to the legislation that passed 74–26 by the Senate during debate last year on the education IRA proposal, and was, regrettably, dropped in conference. This is a very important proposal to help keep young Americans in school and it is my hope that my colleagues in the Senate will again adopt this amendment.

AMENDMENT NO. 36 TO AMENDMENT NO. 35

(Purpose: To honor the Federal commitment to fund part B of the Individuals with Disabilities Education Act)

Mr. JEFFORDS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], for himself, Mr. GREGG and Ms. COLLINS, proposes an amendment numbered 36 to amendment No. 35.

On page 20, between lines 4 and 5, insert the following:

**''SEC. . FUNDING FOR IDEA.**

''Notwithstanding any other provision of law, the provisions of this part, other than

this section, shall have no effect, except that funds appropriated pursuant to the authority of this part shall be used to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).''

Mr. JEFFORDS. Mr. President, I am sorry for not being successful in getting the Senator from New Mexico to withdraw the amendment. I understand the feelings. But to me, the best way right now that we can help immediately without having to wait through the whole process is to be dedicated to ensuring that we fully fund the money that is used for special ed.

If we can use all of these funds that we want to be used otherwise just to do that, we would free up the States and local governments to be able to handle some of these problems. So I want to make it very clear that the reauthorization of the Elementary and Secondary Education Act is so important that we cannot prematurely adopt amendments which would put us in the position of having to undo things which this body does. It should be done in a very coordinated way that will allow us to thoroughly understand the impact of what we do.

I also bring to the Senate's attention the front page of the Washington Post this Monday. The Post carried a story regarding the months of delay which learning-disabled students in Prince Georges County are experiencing in obtaining educational services. This is important to know, that we should take action now in this area.

Antonio Martin, a 15-year-old resident of Prince Georges County, has been sitting home for a year waiting for placement in a school that can meet his needs. Today's Post carries a story regarding a Supreme Court decision requiring that schools pay for full-time nursing care in some situations, which will undoubtedly increase costs for any school which finds itself in this situation.

But this is not just a Washington problem. This is a problem in every school in every State in the country. When I visit with school board members or principals in Vermont, funding IDEA, special education, is the first, second, and third thing they want our help on.

The amendments that my Democratic colleagues are proposing are all well-intentioned, but they are not responding to what I am hearing from Vermont educators and educators around this whole country.

Vermont's legislators are telling me the same thing. I visited the Vermont educational communities during the recent recess, and time and again they asked that the Federal Government uphold its commitment to fund IDEA. They did so without regard to party. Democrat and Republican legislators agreed that funding IDEA is easily the most important thing we can do by far.

Last month, when our committee held hearings on education budget priorities, a representative, Al Perry, a Democrat from my good State of Vermont, was very persuasive on this point. In 1975, the year I came to Congress, we promised that we would provide funding that would be 40 percent of the national average per pupil expenditure for each school-age child with a disability. We have not delivered on that promise.

In fiscal year 1998, we provided 10.8 percent of the excess costs of educating children with special needs. If we follow through on this promise, we will free up critical local funds. Once we do, local communities, and not the Federal Government, will be in the position to decide how to spend their local dollars—for teachers, for textbooks, for technology, or for some other locally determined educational policy.

Senator WELLSTONE, yesterday, talked about listening to community needs. Anyone who has done so has probably heard the same thing that I have. The President certainly has—from school boards across the country and from the Governors. Yet the President has ignored their plea. In his budget request for fiscal year 2000, the 25th anniversary of IDEA, there is no increase in funding. In his public statements on education, he has ignored IDEA entirely. At a time when no educational issue seems to escape the administration's purview, special education seems stuck in the White House purgatory.

A year ago I urged President Clinton to join Congress and keep the promise that we all made in 1975. He declined. Again, in December 1998, I implored the President to join us in meeting our commitment to children with disabilities. He ignored it.

Instead, the President has made many new promises in his budget for fiscal year 2000. But what good are all these new promises if past promises are empty in the area of greatest need? Year after year we have seen budget requests from the administration that represent no real funding increase for special education. This constitutes a pattern of neglect and a lack of concern that cannot be defended. Children suffer, families suffer, and school districts suffer.

In each of the last 3 years, Republican Congresses have increased Federal funding for special education by over 85 percent. We are fully committed to reaching that promise made 24 years ago.

I show you a chart. What we have done has been fine, but look at what is left to do. In the orange there is what we should be paying but we are not paying. That is shown on that chart. If the President thinks Congress will take care of business and increase funding for special education, he is right. We will, through this amendment and other amendments. If he thinks because we will, he can put his funding priorities elsewhere, he is wrong.

School districts are demanding financial relief. Children's needs must be met. Parents expect accountability. There is no better way to touch a school, help a child, or support a family than to place more dollars into special education.

I urge my colleagues to support my amendment. If we put money into IDEA, school districts will be in a position to address class size or whatever they determine to be local priorities. They can ensure that children like Antonio Martin won't sit in education limbo for months on end.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I intend to support this amendment. Now that we have the time to get to the crux of education policy, I welcome this opportunity. The manager of the bill has now advanced this issue in terms of the debate and discussion, and I hope we will move beyond the question of whether we are just going to deal with Ed-Flex, because the manager himself has offered this particular amendment.

Mr. President, I joined with those back in 1975 to make a commitment in terms of trying to address the problems of supporting those children in our schools that have special needs. Four million disabled children did not receive the help that they need to be successful in schools. Few disabled preschoolers receive services. One million disabled children were excluded from public schools. Children in this country, prior to the 1975 Act, were basically shunted aside in institutions and did not participate in the education system of this country.

In 1975 we passed legislation to provide help and assistance. We set in the 1975 Act the level of a 40-percent goal for funding to help and assist the local communities. I daresay I had thought we might have the opportunity in the wake of the Garrett decision yesterday to have an opportunity to debate and discuss how we were going to be able to help and assist a number of local communities now that will have to provide additional help and assistance to the special needs children. That ought to be a matter of priority. That ought to be a matter of debate. It ought to be a matter of allocating resources to help and assist local communities.

In many instances, we are finding across America that the needs of special needs children are being placed against the needs of educating the broader constituency, so we are pitting children against children. What we ought to try and do is deal with both of these particular issues. I am for allocations of resources that move us closer and closer to the level of some 40 percent, which was set as a goal for us in the 1975 Act.

Let us not lose the fact that under the constitution of every State there is a commitment to educate children in their States. Sometimes they forget this, but they have a solemn responsibility. I don't know a single State

that doesn't have that particular requirement. This is going to be something that we will have to work out with the various States and we will have to work this out with the local communities, but if the Senator from Vermont and the Senator from New Hampshire and others want to say they want to find additional resources in meeting the needs of special children, put me on that particular piece of legislation, too, because I am all for it. I am all for it—not at the expense of these other children. No serious educator would put it at the expense of other children.

If we have better trained teachers in smaller classrooms, we will identify more easily those children that have special needs. If we have smaller class size, we will know which child needs the special attention. If we have better trained teachers, the better trained teachers will understand which of the children should be involved in special need programs and which should not. With achievement in reading programs and literacy programs, we may very well help children at the early ages not be qualified in terms of special needs, because they will be advanced and their academic achievement may very well be enhanced.

If we do the kind of things that the Senator from Ohio just pointed out, more and more targeted resources in terms of the children in terms of Head Start will be enormously important. We reauthorized Head Start last year. We expanded the Early Start children up to 12.5 percent in that Head Start program, but we are still not doing enough. The Senator from Ohio points out that it is an admirable effort. In the State of Ohio they have gone ahead, evidently, and provided the difference between what is provided by the Federal Government and funds provided by the State in order to make sure that every child who is eligible in Ohio is going to qualify for Head Start. We are only reaching about 40 percent of the children across the country. By that early type of intervention, we will find out what can be done in terms of special needs children.

The bottom line is every educator knows if you have a smaller class size, better trained teachers involved in afterschool programs—all of these help and assist both to make the total numbers of children that might need the kind of special needs less; and, second, to identify those that truly need that help and assistance.

So there may be those that want to try and pit the special needs children against other children, but I hope that would not be what the U.S. Senate is about. Parents understand this; schoolteachers understand it. What we are basically understanding is that is the proper way to go.

We can understand a legitimate effort to try and address the question of the school dropouts, which is a very important and significant national need, a modest amendment that had been considered by the Senate, passed overwhelmingly with bipartisan support last year. This isn't something new. The amendment of the Senators from New Mexico and Nevada, quite frankly, have more legitimacy to be considered on the floor of the U.S. Senate than the Ed-Flex bill, because we have already considered and passed it. Even so, it is fine if we put that on. It certainly will help strengthen the Ed-Flex bill.

However, now we have the parliamentary games to try, instead of permitting a thoughtful legitimate amendment that has been considered to be debated and finally voted on, to effectively try to emasculate that amendment with the second degree. I want to give assurances to those on that side that we understand; we have been here a certain period of time as well. We are glad to spend as much time as our friends and colleagues want in debating education. The longer the better. But we are going to make sure that we are going to have a vote up and down on their amendment. This bill will not pass without a vote up and down. We can do it either nicely or whatever way they want to do it. We have that opportunity. We have that right to do it.

PRIVILEGES OF THE FLOOR

Mr. KENNEDY. I ask unanimous consent that Connie Garner, Mark Taylor, and David Goldberg, legislative fellows in my office, be granted floor privileges during the consideration of the bill.

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

The Chair recognizes the Senator from New Hampshire.

Mr. GREGG. Mr. President, I support this amendment. I am an original cosponsor of this amendment offered by Senator JEFFORDS. I think it goes to the essence of what is very much the debate which we are about to embark on here in the Senate and as a country—at least at the Federal level—relative to where we are going in applying the resources of the Federal Government when it comes to education.

Now, the President has come forward almost on a weekly basis with a new initiative. In fact, I doubt there is a week that has gone by, or even hardly a day that went by for a while—while we were in the impeachment trial, there was never a day that went by—without a new initiative on some subject. Now we are in a period where it is weekly.

Many of those initiatives have been new ideas in the area of education, which would essentially centralize decisionmaking here in Washington; new programmatic ideas that would require Washington's imprimatur of approval before they can go forward, before a State can use them; new ways in which to move into the District of Columbia the control over our local schools and how local schools are either hiring teachers, building additional schools, doing their afterschool activity or exercising their initiatives in the area of dropouts.

That is a philosophy of government, and I recognize that—the philosophy that all good ideas in education come from Washington, the philosophy that when you manage the schools at the local level, they should have significant influence from Washington in the decisions and in the process as to how they are run. That is not a philosophy I am attracted to, but it is clearly the philosophy of the other party and of this Presidency.

Our position, as reflected in this amendment, is significantly different. Our position is that, first, before we start any other major, new programs in education in the Federal Government, new programs that put new costs and burdens on the local communities, we as a Federal Government have an obligation to live up to what we said we were going to do in the first place.

One of the things we said we were going to do back in 1975 was to take care of special ed kids and pay 40 percent of the costs of special education at the local community level. That is one theory we have on our side. Let's do what we said we would do first, let's pay for what we said we would pay for first, before we add a bunch of new programs that may or may not be good ideas, but in any event which we don't have the resources for, unless you take them from programs that already exist at the Federal level.

The second philosophy we have is that the local folks—teachers, parents, principals, school boards—know a heck of a lot more about education than we know here in Washington. I can name a couple of kids in my local school district because I know them, but I can't name all of them. I will bet you the principal at Rye Elementary School can name them and that he knows something about every child, knows some of the problems that child may have. Certainly, the teachers know that. They know what they need in order to address that child's concerns. Maybe Johnny Jones has a reading problem and they know he may have to get extra reading. If Mary Smith has a problem with attention, they know they have to get a specialist in for that. Maybe it is just as simple as they may need a computer in order to allow that child to get a little extra help that is self-initiated, or a little confidence in themselves. They know what their children need in order to educate them better. I don't. I can tell you that nobody down at the Department of Education knows, and nobody in this Senate knows better than the parents, teachers, and the principals what those children need in order to make them better students.

I will tell you something else. As Republicans, we don't believe that folks here in Washington have more concern for those kids than their parents, teachers, and principals. That seems to be a philosophy we are hearing a lot—that in some way, somehow, because we have been granted the office of the Senate, or because we are serving in

the administration of a President, we suddenly have some knowledge or capability that gives us a better awareness and a more sincere desire to help a child than the parent of that child has, the teacher of that child has, the principal in that school has, or the school board has. That, to me, is a lot of hokum. But it is the philosophy, regrettably, that pervades the proposals that have come from this administration.

So these are the fundamental differences we have, and they are joined in this debate over this amendment: One, that we as a government have an obligation to fund what we already have on the books; two, that better decisions are made at the local community level, not here in Washington; three, that we have no special portfolio or no special awareness, no higher level of concern for a child's education, than that child's teacher has, or that child's principal has, or that child's parent has.

So this amendment says simply that, back in 1975, the Federal Government said it would pick up 40 percent of the cost of special education in this country. Well, as of 3 years ago, the Federal Government was only paying 6 percent of the costs of the special education in this country, and what did that do? What did that failure of the Federal Government to pay that additional 34 percent do to local schools?

Essentially, what it did was it skewed the ability of the local school systems to deliver the educational efforts that they desired to deliver, because the local school districts were having to go out and use their tax base, whether was a property tax or a State broad-based tax; they were having to use their tax base to pay for the Federal share of special education. So they were basically taking dollars that they should have had available to them from their property taxes—in New Hampshire, for example—and instead of spending then on a new classroom, or a new teacher, or a new computer system, or new books, they were having to take those dollars and pay for the Federal share of the obligations to educate special ed children.

Now, I happen to be a very strong supporter of special ed. I chaired a center for special needs children; I was president for many years. I am still on the board. I think 94–142 is one of the best laws this country has ever passed. One of the insidious aftereffects of the Federal Government's obligations to pay under 94–142—to pay its 40 percent—is that I saw time after time, in school district after school district, a cost to my State—and I know it happens in other States because I have heard about it from other Senators—that the special needs child was confronted with other parents in the school system who felt that because so much money was being spent on the special needs child, and because so much of the local tax base was being used to help the special needs child, their children weren't getting an adequate education and their children were being unfairly treated.

But it wasn't the special needs child's fault. That child was just getting the education they had a right to. It wasn't the fault of the parent of the special needs child, who usually got most of the abuse at the school meetings. They were just asking for what they had a right to have. They were being put in this terrible position of being confronted by other parents who were legitimately angry about the misallocation of resources, as they saw it. Why? Not because of anything the special needs child did, or the parents of the special needs child, but because the Federal Government refused to pay its obligation of picking up the 40 percent of the cost of that child.

So 3 years ago, under Republican leadership in this Senate, under the leadership of Senator TRENT LOTT, with a lot of effort by such people as Senator JEFFORDS from Vermont, myself, and Senator COLLINS from Maine, we made a commitment to do something about this, to pay our fair share of special needs. In fact, S. 1 in the last Congress said we were going to put ourselves, as a Congress, on a ramp that would allow us to pay special needs children the 40 percent. It would take us 10 years, but we would get there. Then we backed that up with appropriations. Senator SPECTER from Pennsylvania, 3 years in a row, has dramatically increased the funding for special needs, for IDEA—$740 million in the first year, $690 billion in the second year, and $509 billion last year. I think those are the numbers. It essentially has meant almost a doubling of the commitment to the special needs child by this Congress.

Do you know something? The administration didn't support any of it. This administration, which is so committed to education, has not sent a budget up to this Congress in the last 3 years that has called for any significant increase in special ed. They are playing a shell game on education. What they are doing, in fact, is they are borrowing money that should be going to special ed in order to fund all these new initiatives, so that members of this administration can go across the country and say, ''I am for this new program,'' or, ''I am for that new one,'' ''We are going to put a billion dollars into that and $500 million into that.'' Where do they get that money? They take it from the special needs child. How much did they ask for in new funding for special education in this budget? We presently spend $4.3 billion. On special education, how much did they ask for as an increase? $3.3 million. That is what the administration asked for—$3.3 million out of a $4.3 billion budget, which only accounts for, by the way, out of that $4.3 billion, 11 percent of the cost of special education. We are supposed to be paying 40 percent.

So, under this Republican Congress, we have taken it from 6 percent to 11 percent. That is good news. The bad news is, we still have a long way to go. The bad news is that still in every school district across this country, local school leaders, principals, PTAs, school boards, are having to take money they would have otherwise used maybe to add a teacher, maybe to build a building—where have we heard that before?—maybe to do an afterschool program, maybe to put a computer in, to put an arts program in, a language program in. Instead of taking the money they would have used for those programs, they are having to take that money and having to use it to fund the gap that remains in the Federal obligation to pay for special education.

Just yesterday, the Supreme Court in the Cedar Rapids case made it very clear that that gap isn't going to get smaller, it is going to accelerate dramatically, because the Supreme Court decided that, as a matter of education, the person had a right to health care while in the school system. Many of these children need extraordinary health care. Kids we dealt with in the center I was involved in required immense health care. So that is going to increase the cost of special education even further.

What is going to happen for every dollar increase that comes about as a result of the need and as a result of this new Supreme Court decision? The local school district is going to fall further behind. It is going to have to take more taxes than it would have used to buy books and to add teachers and to build new buildings, more of those taxes, and have to move them and reallocate them to special education. So it is going to become worse. The situation is going to become worse. Why? Because this administration refuses to fund special education or even make an attempt to address it in any aggressive way. Instead, it comes forward with program after program after program, borrowing from special education funds to do that, and, as a result, leaves the special education child out on the street while it puts out its press releases.

We are going to debate this, as the Senator from Massachusetts said. I look forward to that debate. If the Senator wants to filibuster the Ed-Flex bill, which has been supported in the last Congress, supported in this Congress, supported by the President, and is supported by members of both parties, a bipartisan bill, if he wants to filibuster the Ed-Flex bill, that is his choice. But the fact is that what he is really filibustering is special needs children. What he is filibustering is the ability of local communities to manage their dollars more effectively so that we take care of special needs children and the other children who are in our school system. It is ironic and I think inappropriate to filibuster. But it sounds as if that is what we are going to get. Ed-Flex, a program defended and supported in the last Congress by the majority of the Congress, a program supported by the President, a

program supported by the Secretary of State, is now going to be filibustered because people do not want to fund special education—a very interesting approach to government.

Mr. President, I look forward to this debate, I look forward to a lot of it, because I do think that the American people need to learn just how irresponsible this administration has been on the funding of special education.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, perhaps the good Senator didn't hear me. We are prepared to accept the amendment. So if there is no other speaker on it, we are prepared to vote on the amendment.

Mr. GREGG. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. Yes.

Mr. GREGG. Will the Senator accept this amendment on any other initiatives, which are appropriate, which are going to have funding for the purpose of education?

Mr. KENNEDY. We have this bill up now. The Senator has offered the amendment. In behalf of this side, we are prepared to accept it right now.

Mr. President, we are prepared to vote.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. JEFFORDS. 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.

Ms. COLLINS. Mr. President, I am pleased to be an original cosponsor of the amendment offered by Senator JEFFORDS. The amendment would require the federal government to make good on its commitment to fund special education before it made any additional promises it might not keep.

When Congress passed the Individuals with Disabilities Education Act in 1975, the federal government made a commitment to the states and to the local school districts to help states meet the cost of special education. The federal government promised to pay each state 40 percent of the national average per capita cost of providing elementary and secondary education for each student receiving special education. For the school year 1996–1997, the national average expenditure was $5,913 per student. The federal payment to the states, however, was only $636 per student or slightly more than ten percent of the total cost and about one fourth of the $2,365 promised.

We must meet our commitment to special education and end this unfunded mandate. Maine is promised $80 million by the Individuals with Disabilities Education Act. Yet, in 1998, it received less than $20 million toward the $200 million federal law requires the state to spend on special education. In short, special education is an unfunded federal mandate of $60 million that must be met by the citizens of Maine through already burdensome state income and local property taxes. This accounts for millions of dollars annually that can not be used for school construction, for teacher salaries, for new computers, or for any other state effort to improve the performance of our elementary and secondary school students.

We need to increase federal spending on education, but we do not need new federal categorical programs with more federal regulations and dollars wasted on administrative costs. Rather, we need to meet our commitment to bear our fair share of special education costs. As the Governor of Maine told President Clinton last week, ''If you want to do something for schools in Maine, then fund special education and we can hire our own teachers and build our own schools.'' This is true for every state. The best thing this Congress can do for education is to fully fund our share of special education and at the same time return control of the schools to the states and local communities by passing the Education Flexibility Act.

These two actions will empower our states and communities to meet the challenge of improving schools. Instead of presuming that we in Washington know what is best for every school across the country, let us acknowledge that each of our individual states and towns knows what is needed on a state-by-state and community-by-community basis. I urge my colleagues to give our states and local communities the financial support they have been promised and the freedom to educate our students as they see fit. We can do this by adopting this amendment to fully fund the federal share of special education and then passing the Local Control of Education Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

## EXTENSION OF MORNING BUSINESS

Mr. JEFFORDS. Mr. President, I believe at this time we have no further business that is immediately available. I suggest we ask unanimous consent to set the vote for 2:15 and that the Senate be in morning business until such time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. JEFFORDS. 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. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask consent to proceed in morning business.

The PRESIDING OFFICER. The Senator may proceed.

## THE EDUCATION BUDGET

Mr. KENNEDY. Mr. President, I listened to our friend and colleague from New Hampshire speak about the education budget and about the expenditures in the areas of education. I just want to review here, in this time, for a few moments, exactly what has been the record of our Republican friends in the House and Senate, and the administration, over the period since 1994 when the Republicans took over the leadership in the Congress.

After 1994, on March 16, 1995, one of the first acts of the new Republican House of Representatives was to ask for a $1.7 billion rescission on all education programs below what was enacted in the appropriations the year before. That is an extensive rescission, no matter how you cut it. This is in all the education programs of 1994. They asked to cut back $1.7 billion. The final rescission bill that passed on July 27, 1995, was $600 million below 1995. So, as we are looking over, now, and listening to who is interested in education, I hope our colleagues will at least give some attention, when they are reviewing the record, as to who has been interested and who has been committed, judging by the allocation of resources. Resources themselves do not solve the problems of education, but they are a pretty good indication of a nation's priorities.

What we had as the first order of business in 1995 in the House rescission bill was to move ahead with a major cut of $1.7 billion for the appropriations the year before. Now, in the first full funding cycle, the 1996 House Appropriations, in August of 1995, cut $3.9 billion below 1996. Then the continuing resolution ended up at $3.1 billion below 1996. This was at a time when we had the memorable shutdown of the Government. The President said, That is too much, you will be cutting the heart out of many of these education programs. That was one of the principal reasons he went toe-to-toe with the Congress, because of those dramatic cuts in the area of education. Finally, there was a continuing resolution after the Senate adopted a Specter-Harkin amendment to restore $2.7 billion. We saw a bottom line $400 million below fiscal year 1996.

In 1997, the Senate bill was $3.1 billion below the President's. This is rather extraordinary to me, that Members on the other side can stand up and talk and criticize the President on appropriations when you have this kind of record to defend—$3.1 billion below the President's. My good friend from New Hampshire ought to be talking to the Republican appropriators. Mr. President, $3.1 billion below what the President asked for, that was the Senate bill. The final agreement, after extensive negotiation thankfully moved the appropriation up, was to $3.5 billion above what the President asked for; as a result of the administration's position, a $6 billion swing in education funding.

Then, in 1998, both the House and Senate bills were $200 million below the President's. Again, after tough negotiation the final agreement was $3.4 billion above, over 1997.

Mr. President, these are fairly significant figures. All of us are concerned about education policy. I know my friend and colleague from Vermont, Senator JEFFORDS, has long stood for making sure that we, as a country, and as a matter of principle, focus on and provide greater support for education as a national priority, so I appreciate his commitment, his position in these decisions. But we have to look at the bottom line. Coming into 1999, fiscal year 1999, they are still cutting below the President's investment. The House bill, in June of 1998, which was for the fiscal year 1999, was $2 billion below the President's; the final agreement was $3.6 billion over 1998.

This is the record. Year after year after year those appropriations committees, which are effectively controlled by the Republican leadership, have consistently underfunded education. So it does not come, I don't think, with good grace, to suggest that somehow we have an administration or President who is not strongly committed—whether it has been to the special needs children or all the children in this country. We all are mindful that even with these kinds of appropriations we only are spending probably 4 cents out of every dollar, maybe 5 cents out of every dollar, in education. You get 2 more cents for the food program, so the total considered to be the moneys that are spent locally, about 6 cents, is the Federal funding. But 2 cents of that has to do with nutrition. We are talking about 4 cents.

This is a major item, obviously, the title I program, but there is also some in excess of $4 billion in special needs. The Head Start programs and others are certainly enormously important, and they can certainly use additional resources.

Federal education funding rose from $23 billion in 1996 to $33.5 billion in 1999, an increase of $10.5 billion, or 46 percent. That is a pretty good indication of at least this President's priorities in the education area. So, we hope when we come back here at 2:15 we will move ahead and accept this. We are, I believe, on this side, strongly committed to trying to find every scarce dollar resource to fund these education programs.

As I mentioned, with the Supreme Court holding of yesterday, we do have, I think, additional kinds of responsibilities. It was that aspect of the statement of the Senator from New Hampshire with which I agree. With that holding, there will be additional kinds of demands on local communities. I do think we ought to try to find additional resources on that particular measure, and we will certainly work with all in this body to see what can be done to gain those resources and support.

I yield.

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

Mr. JEFFORDS. Mr. President, the Senator from Massachusetts has made an excellent point. I do not argue with him. I, in fact, would have supported those appropriations and have supported the appropriations that have been recommended for education totally.

I think the point Senator GREGG was making was that this administration does not place high enough priority on IDEA. I think the record bears this out. While the administration's proposed new programs increase funding elsewhere, it has shortchanged IDEA. The funding we are charged with under our promises and under the law as it reads—to fund 40 percent of the cost of special education—those costs are going up and are really making it difficult for our local communities to carry out other programs that have been recommended to help them. So I just wanted to make sure everyone recognizes that.

Mr. President, I make a point of order a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Mr. President, I will put in the RECORD the actual funding levels, in terms of the IDEA. In 1995, it was $3.2 billion; in 1996, it was $3.2 billion; in 1997, it was $4 billion. They are numbers that have to be rounded out—$4.35 billion. In 1998, it is $4.5 billion. And in 1999, it is $5 billion; the current is $5.54 billion, and the President's request was for $5.106 billion. The total increase from 1995 to the present is, therefore, an increase from $3.2 to $5.54 billion. That is a significant increase. I say to our colleagues, much of that was attributed to our Republican friends who made it a priority. Quite frankly, we joined in that effort; I think the record would reflect that.

I will say, though, that we were able to see that kind of increase while we were also able to see an increase in the other programs as well. It wasn't an either/or position. That is what I hope will result this afternoon, after we have had a good discussion and debate.

We are strongly committed on this side to finding additional resources for the funding of that program. We will work with our committee chair to see how this last Supreme Court decision is going to impact local communities. I think that is enormously important. We are committing ourselves at this time, the day after that decision, to work closely, because we do think that there are going to be some very important additional burdens on local communities with that decision about the scope of the ADA, including educational and health support. I think there is going to be a call for additional help and assistance. We will certainly work with the chair to try and deal with that.

I have had the chance to talk with a leader on our side, Senator HARKIN, who has been such a leader on so many of these issues affecting the disabled. He is in strong support of trying to find ways to help and assist local communities as well. I am sure we will be addressing this probably later in the day.

I wanted at this time to make sure that our membership understood with that decision we are going to look forward to working in a cooperative way with the chair of the committee.

Mr. JEFFORDS. Mr. President, just very briefly, I thank the Senator from Massachusetts for his desire to join us in trying to push for more funds for special education. I hope we can be successful with our joint efforts.

Mr. KENNEDY. Mr. President, if the Senator will yield, will the Senator join me in indicating to the Senate the excellent results of the Senate Finance Committee this morning on legislation which the Senator from Vermont and I have worked on closely with Senator ROTH and Senator MOYNIHAN. There was a very positive bipartisan result, as I understand, 16 to 2, and although it is not directly related to education, it is directly related to the issue of employment of the disabled. Perhaps the good Senator would want to indicate to the membership the success of the Finance Committee in reporting that out.

Mr. JEFFORDS. Mr. President, I thank the Senator for bringing that to my attention. I enjoyed working with the Senator. We introduced it jointly together, and your support, although you are not on the Finance Committee, has been most helpful in ensuring its success. We had a good hearing. There are a couple amendments which may come about, which I think can be taken care of without any serious diminution of the impact of the bill.

I say on behalf of all the Senators on the committee and those that have signed on, we now have 62 cosponsors to that bill. This is an incredible step forward for people with disabilities who desire to work. I do not think there are

very many who don't desire to work. They have been placed in this incredibly terrible position of, if you go to work, you lose your health care and you lose your SDI benefits or other benefits that you have to help you live. You just cannot do it except under very unusual circumstances.

Thus, we have finally opened the door, after many years. The Senator worked on all these issues, too, starting with the bill that we have been talking about, special education, back in 1976, when we passed what is called IDEA. That opened the first big door, and that is to get an education. Without an education, you do not have any hope of being able to be employed.

Since then, we have marched up through with ADA. I remember one of the amendments I had, which probably created the most stir, was when I was with John Brademas on his committee. I said, John, do you realize that the Federal Government is exempt from 504, which removes barriers for people with handicaps? He said, No. He said, Well, let us fix it. So over in the House, you have the day when you put all these unimportant amendments through and nobody looks at them. We had a little committee amendment on that which affected all the Federal buildings. I remember it well because when I got back to the office a couple days later, somebody had finally read the bill. It was filled with the head of the Post Office and everybody else asking me if I knew what I had done. I said, well, I didn't know how important it was until now, but that got the Federal Government by.

Then we worked together on assisted technology as well. That bill we reauthorized last year, which is incredibly important at this time, to assist all those people with disabilities to have a better opportunity of getting employed because they have the assistance of technology to do that.

It is a great day. I am confident that we certainly will prevail on the Senate floor. I think that the two Senators who have some problems we can take care of, but I thank you for your tremendous support over all the years we have been working together.

Mr. KENNEDY. Mr. President, I thank the Senator. I think this is perhaps in some respects the most notable thing that we will achieve today. As important as this is, with the reporting out of that particular bill, which is really, as the Senator has pointed out, the Americans with Disabilities Act, we effectively attempted to eliminate discrimination against those that had disability. It was enormously important, and we made extraordinary success. But to really breathe life into that legislation, you have to make sure that not only is the individual not going to be discriminated against in getting the job, but that they are also not going to have these barriers placed in front of them in holding the job which were there in terms of their elimination of their health care support and any other kinds of support services. That was the purpose of this legislation that was reported out with very strong bipartisan support.

We look forward, hopefully, to being able to act on that at an early time.

Mr. JEFFORDS. I am sure the Senator shares this with me, too. There were some staff members—Pat Morrissey on my staff had been working on this for 20 years or more, I guess. I know on the Senator's staff, members have had similar input. I think we ought to remember who it really is sometimes that moves this legislation along.

Mr. KENNEDY. I will include my good staffer. Connie has been working some 20 years, as well, on these. I agree with the Senator that they have just provided invaluable service. And for all those that work here, I hope they do recognize and get the sense of satisfaction, professional satisfaction, from really making the important difference in people's lives. That will certainly be true of all of the staff that worked on this legislation.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ASHCROFT. 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. ASHCROFT. Mr. President, I ask unanimous consent to speak on the Ed-Flex bill while in morning business.

The PRESIDING OFFICER. The Senator has that right.

## EDUCATION FLEXIBILITY PARTNERSHIP ACT

Mr. ASHCROFT. Mr. President, I congratulate the Senator from Tennessee for his hard work and the good work he has done on the Education Flexibility Partnership Act of 1999. This has been a task of assembling the right components that were acceptable to a broad range of interests and reflecting the capacity of States and local communities to make good decisions. I think the Senator has done an outstanding job. I am pleased to have the privilege of being a cosponsor of this bill.

Under this legislation, the State of Missouri, my own State, as well as every other State in the Nation, will no longer have to come to Washington on a piecemeal, case-by-case basis to ask for relief from a myriad of Federal education statutes and regulations. Instead, Missouri will have the authority to waive regulations that hinder our schools from providing an excellent education for our students.

Now, I know that the occupant of the Chair is a former Governor and had a lot of involvement with individuals in the education effort which is focused at the State level. I remember those days well from my time as Governor. It is most satisfying to try to do something to advance the performance of students. We understand that when students perform well and have great skills, it elevates the potential they enjoy for the rest of their lives.

It was always a tremendous matter of concern to me—and I am sure to the occupant of the Chair—how Federal administrative burdens impeded the efforts of States rather than accelerated their capacity to help students perform. I think most Governors and former Governors we talked to would agree that Federal mandates and requirements associated with Federal programs can hinder a State's flexibility and, as a result, they cut into the dollars that could be spent on students. They end up being spent on bureaucracy—not just bureaucracy here in Washington, but a corresponding bureaucracy to deal with the Washington bureaucracy that has to be established and maintained in the States.

In response to the question of whether we should impose Federal education standards from Washington, Governor Whitman of New Jersey said, and I think she said it well,

> What you see now is a huge waste of money on bureaucracy. The more government strings that are on these dollars, the more difficult it becomes to deliver education. If the money that the Federal Government now puts out is too finite and it says you can only spend it for this or for that, that money won't go toward helping students learn, and that's what we want.

I agree with the entirety of the statement—''helping students learn, and that's what we want''—and the last line should be the motivation for every one of us not only in the Senate but across America. I simply couldn't agree with Governor Whitman more.

States and local schools need more flexibility in how to spend education dollars, to spend them in ways that will help students learn. They are in the best position to make decisions about the education of students. I have to believe that being on site adds value to one's capacity to make an accurate diagnosis or assessment of what is needed.

I appreciate the opportunity to speak regarding the Education Flexibility Partnership Act of 1999, which will provide States and local schools with the kind of flexibility they need to improve education and to elevate student performance.

One of our Nation's highest priorities is to ensure that our children receive the kind of challenging and rigorous education that will prepare them for success. By building a strong educational foundation that focuses on the concept of high academic excellence, we will prepare students to make important career decisions and to become lifelong learners. The habit of education should extend beyond school. As a result, their lives will be enriched.

We in Congress should develop and support Federal policies that will promote the best education practices in

our States and local schools. We have learned from reports and studies that successful schools and successful school systems are characterized by parental involvement in the education of their children. They are characterized by parental involvement and local control, and they emphasize basic academics and make resources available to the classroom. These are the ingredients needed to elevate educational performance.

It is with this in mind that we should stop and ask ourselves whether the current Federal education laws contain the elements that further our goal of giving our kids a world-class education. The unfortunate answer to that question is, our current laws don't do that; the answer is no. A number of our Federal education programs contain a plethora of regulations and restrictions that hinder States and local schools, hinder their ability to tailor and design what is needed in the local circumstance to advance the opportunity for students to learn. Whenever they hinder and obstruct that opportunity to tailor and design the right system, they waste the education dollars.

Frequently, education dollars that Washington directs in terms of how to spend them are wasted because the how-to doesn't meet the need of the students and the school district.

While the Federal Government has played an important but limited role in providing funding for education, it has also played a conflicting role by attaching so many conditions and strings to Federal dollars that it costs States and local schools a lot of time and resources to comply with all the rules and regulations.

We have heard much about the paperwork burdens created by the Federal education rules and regulations. The Federal Department of Education requires States and school districts to complete over 48.6 million hours worth of paperwork to receive federal dollars. This is a statistic that is mind boggling. That translates into the equivalent of 25,000 employees working full time just to do the paperwork for States to get their own money back to educate the students, which the State cares enough about to work hard to make sure that they are trying to elevate the students' performance.

We heard that in Florida it takes 374 employees to administer $8 billion in State funds, while it takes 297 State employees to oversee $1 billion in Federal funds—6 times as many per dollar. So that to do the paperwork and create the paper trail and all the paper involvement, to be a recipient of Federal funds, it takes six times as many employees as it does to follow a dollar of State funding in Florida.

We know it takes a school nearly 20 weeks, 216 steps, to complete a discretionary grant process within the Department of Education. The Department has boasted that it has streamlined the process, because it used to take 26 weeks and 487 steps from start to finish; now it is only 216 steps in the bureaucratic jungle. With this bureaucratic maze, it is no wonder we lose about 35 cents out of every Federal education dollar before it reaches the classroom.

If I were to give my children a dollar and, before I got it from my hand to their hand, I took 35 cents out of the dollar, they would know the difference. We tell ourselves that we are doing great things for education, but before the dollar reaches the student, 35 cents is taken out of the dollar. They know the difference. The difference is felt. And then sometimes we are telling them it has to be spent in a way that doesn't elevate student performance.

Current Federal laws, of course, can also be inflexible, requiring the Federal education dollar to be spent only for a narrow purpose, to the exclusion of all others. This type of inflexibility hurts schools that have needs other than the ones prescribed by the Federal Government. A recent example was the $1.2 billion earmarked exclusively for classroom size reduction for the early elementary grades. What a noble aspiration. But it wasn't what a number of schools needed. Governor Gray Davis of California recently described how the inflexibility of this initiative is hindering his State's ability to direct Federal funds to areas where they are most needed. Governor Davis said:

> We need to have the flexibility to apply those resources where we think they could best be used.

He went on to say:

> For example, I was just with Secretary Riley, our U.S. Secretary of Education, for 2 days last week in California. And Secretary Riley was telling me about the $1.2 billion that was appropriated to reduce class size to 18 in the first 3 grades. Now, in California, we are already down to 20 students per class size in K through four. So that money, which is supposed to be earmarked to the area where we have pretty much achieved the goal, would best serve our needs by reducing class size in math and English at the tenth grade level, because we have just started to use a high school graduation exam.

Here is a State wanting to elevate the performance of students, with a massive Federal program directed at an area where they have already addressed the problem, but it is ineligible to be used in an area where they need help. We should really understand this. That is why we are proposing in this Ed-Flex program a massive new capacity on the part of States to use money where it is needed, to use money to help get the dollar all the way to the student, and not take 35 cents out of the dollar when it is on its way from the folks in Washington to the classroom where the student studies.

Another example is found in title I, which authorizes aid for the education of disadvantaged children. Some of the rigid standards in this program can result in a school losing its ability to provide intensive services to students on a schoolwide basis because it fails by 1 percentage point to have the requisite number of children below a certain income level. Such policies fly in the face of one ingredient for educational success, one vital ingredient: local control.

Fortunately, there is a current Federal policy that has helped provide more flexibility and relieve States of regulatory burdens that are associated with otherwise inflexible education dollars. Under the Education Flexibility Partnership Demonstration Program, the Department of Education has delegated its authority to 12 participating States to grant individual school districts waivers from certain Federal requirements that hinder States and schools in their efforts to improve their education programs. Under Ed-Flex—this proposal, not just for the 12 States, but for all 50 States—school districts do not have to march up to Washington each time they want to ask for a waiver. Instead, they can get the waiver from their own State.

The Ed-Flex program, as it is called, has reduced paperwork burdens. That sounds good, to reduce paperwork, but when you take the expensive paperwork out of the equation, more of the resource reaches the classroom. Sure, it is good to reduce paperwork, but it is even better to deliver the resource to the site of learning, where students learn.

For example, in response to a perceived need, Texas schools have been able to direct some of their Federal funds from the title II Eisenhower Professional Development Program, which is targeted primarily for science and mathematics, to reading, English language, arts, and social studies. If you need help in English and the arts and social studies, why not be able to focus the attention there?

In Howard County, MD, Ed-Flex authority has allowed schools to provide additional instruction time in reading and math to better meet the needs of their students. Well, you mean a program that serves the needs of the students instead of serving the plan of the bureaucracy? What a good program.

These are all States that have been allowed, in the 12–State pilot program, to have this kind of flexibility—it is interesting that they are moving resources to help students. Oregon used its waiver authority to simplify its planning and application process so that its school districts can develop a single plan that consolidates the application for Federal funds. Well, that is great. Instead of spending more money on paperwork, we are making resources available to the classrooms where students study and achieve.

In Vermont, they have reported that the greatest advantage of having Ed-Flex is the ability of schools and districts to gain waivers without having to go directly to the Department of Education. The fact that the State can grant waivers with a minimum of red-tape encourages schools and districts to ask for waivers they might not otherwise have asked for. You see, the intimidation factor of Federal regulation

is one that is hard to assess. But here is the State of Vermont basically saying they were lacking creativity in their schools and people didn't bother to try to ask for the waiver. They went ahead and did what Washington said, in spite of the fact that it may not have been best for students, because they had been intimidated. The process was too complex. The desire to get a waiver may never have been really strong enough to get them past the Federal bureaucracy. But the schools are now doing things, trying things, delivering help to students, meeting needs at the site of learning, rather than meeting the appetite of the bureaucracy.

Other Ed-Flex States have used the waiver authority to include all school improvement resources in a single 34-page plan rather than 8 separate plans totaling 200 pages. Can you imagine that? If you can move the paperwork down in the direction of sort of manual operations from 200 pages to 34 pages, you will cut out that kind of paperwork and you are cutting out a wasted resource, and when you stop wasting, you can start delivering.

I am sure this next item is of special interest to the occupant of the Chair, who served as the chief executive of Ohio. Reports indicate that Ohio used its Ed-Flex authority to significantly reduce paperwork in the schools. The education agency of the State also reduced its paperwork. This is great news to hear. Ohio is the State that reported at one time that 52 percent of all the paperwork—I think that is right; the Chair might correct me—required of their school districts was related to participation in Federal programs while the Federal dollars were about 5 percent of the State's total education budget. That means we are costing people a lot in terms of paperwork to get a very small amount of the resource. It is time we freed the system from the burden of paperwork so it can get moving forward to the task of helping students.

States are finding that flexibility and regulatory relief they have gotten under the Ed-Flex program has caused increased student performance. Texas has found that its schools with Ed-Flex waivers made gains that match—and in many instances exceed—those as a whole in the State. And frequently those schools with the waivers were ones that were especially challenged.

Because of the success of the Ed-Flexibility Partnership Demonstration Program, we need to expand this concept to every State in America. In my home State of Missouri, we don't currently have broad authority, the kind of authority we need to waive the Federal regulations that keep our schools from improving education programs. In the past few years, my State, as well as local districts in Missouri, have had to come to Washington on a number of occasions and ask for waivers of certain Federal education statutes so they could administer their programs in such a way that they can better serve their students. It doesn't make any sense for a State or a school district to keep coming to Washington time after time to beg for permission to help their students. It seems like we could agree that we would allow States to help their students.

That is why I support the Education Flexibility Partnership Act of 1999, because it gives the States the authority on their own to grant to schools waivers of Federal statutes and regulations for many Federal education programs. States will also be expected to grant waivers of their own regulations which schools believe are barriers to improving education programs. This is a design—a conspicuous and conscious design—to deliver resources to classrooms where students learn and improve their performance.

Around the Nation, Governors of both political parties have called for quick passage of this legislation as it will allow educators to design and to deliver federally funded education dollars in ways that meet the needs of students. As a former Governor, I know how important it is for a State and its local school districts to have decision-making authority over educational matters. The closer the decision-making is to the local level, I feel, the better.

States and local schools are in a better position to know what programs work in their community and elicit the necessary enthusiasm and response from their families which are being served.

I also know that States want to show that their education reforms will actually improve quality of education. When I was Governor of Missouri, I also served as chairman of the Education Commission of the States—all 50 States, legislators, governors, school board officials—the Education Commission of the States. During that time I emphasized a point. And it was this: We must insist that our reform programs create a current of educational improvement. We must show that reforms actually help our children learn more.

Mr. President, I believe that Ed-Flex boosts educational achievement by allowing States to direct resources where they will get to the classroom and help students learn.

So today I want to voice my strong support for the Educational Flexibility Partnership Act of 1999. Under this legislation, Missouri schools and schools across America no longer have to come to Washington to seek education waivers one at a time. But they will have more flexibility to administer federally funded education programs in ways that boost student achievement, and ultimately have as a result more capable students.

States and local schools want more flexibility because they have the best ideas of what will work in their communities. And they want the ability to take that good news to the students of their schools. Important education groups in my State such as the Missouri State Teachers Association and the Missouri School Board Association have said that flexibility and local control are important goals in Federal education policy.

The Ed-Flexibility Partnership Act of 1999 helps to accomplish these goals. This bill, Ed-Flex, will ultimately help to improve educational opportunities for the children in my State and all over the country by reducing the Federal redtape involved currently with trying to comply with Federal rules and regulations related to educational programs.

## ORDER OF PROCEDURE

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the vote scheduled to occur at 2:15 today now occur at 2:30 p.m.

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

Mr. ASHCROFT. Mr. President, I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. SMITH of New Hampshire). Without objection, it is so ordered.

The Senator from Virginia is recognized.

Mr. ROBB. I thank the Chair.

(The remarks of Mr. ROBB and Mr. WARNER pertaining to the introduction of S. 533 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. ROBB. 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. WARNER. 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. WARNER. I thank the Chair.

(The remarks of Mr. WARNER and Mr. ROBB pertaining to the introduction of S. 535 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

(The remarks of Mr. WARNER pertaining to the introduction of S. 536 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. WARNER. I thank the Chair, the indulgence of my colleague, and I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

(The remarks of Mr. GRAHAM pertaining to the submission of S. Res. 57 are located in today's RECORD under ''Submission of Concurrent and Senate Resolutions.)

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I ask unanimous consent to be added as an original cosponsor to the resolution just introduced by the Senator from Florida.

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

Mr. GRAHAM. I wish to express my thanks and admiration to my colleague from Virginia.

## EDUCATIONAL FLEXIBILITY PARTNERSHIP ACT OF 1999

The Senate continued with the consideration of the bill.

### Vote on Amendment No. 36

The PRESIDING OFFICER. Under the previous order, the vote will now occur on the Jeffords amendment No. 36. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 31 Leg.]

YEAS—100

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

The amendment (No. 36) was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

### AMENDMENT NO. 37 TO AMENDMENT NO. 35

(Purpose: To authorize additional appropriations to carry out part B of the Individuals with Disabilities Education Act)

Mr. LOTT. 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 Mississippi (Mr. LOTT), for Mr. JEFFORDS, Mr. GREGG, and Ms. COLLINS, proposes an amendment numbered 37 to amendment No. 35.

In Lieu of the matter proposed to be inserted, insert the following:

**SEC. . AUTHORIZATION OF APPROPRIATIONS.**

In addition to other funds authorized to be appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), there are authorized to be appropriated $150,000,000 to carry out such part.

Mr. LOTT. Mr. President, in view of the status of the amendments at this point, in order for the Members working on this legislation to have a chance to discuss how we can proceed, 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. BROWNBACK. I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Kansas is recognized.

(The remarks of Mr. BROWNBACK pertaining to the introduction of S. 539 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. BROWNBACK. 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. KERRY. 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. KERRY. Mr. President, just to let the distinguished chairman and manager know, it is my understanding that the sponsor of the pending amendment does not wish at this time for it to be set aside. In lieu of remaining in a quorum call, Senator SMITH and I have decided not to, in fact, ask for a vote on our amendment, but we would like to proceed to at least talk about it for a period of time, and then obviously we will not introduce it, and we will not, therefore, have to withdraw it.

Mr. JEFFORDS. I have no problem as long as it is for debate only and it won't be offered. I have a request to limit Senators to 5 o'clock; apparently, there is something else that needs to be done at 5 o'clock.

Mr. KERRY. Mr. President, I am sure Senator SMITH and I will be able to finish by that time——

Mr. JEFFORDS. Fine, I have no objection.

Mr. KERRY. Depending on how things proceed.

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

Mr. KERRY. Mr. President, I am not sure it is subject to an objection anyway, since I have the floor. I believe I am entitled to speak.

But that said, it may be that, depending on how things go with this bill overall, we may decide at an appropriate time that it is worth submitting the amendment, but I think we have to see what the flow is going to be with respect to this particular piece of legislation.

Mr. KERREY. Mr. President, was the unanimous consent agreed to, to end the quorum call?

The PRESIDING OFFICER. It was, and it would end this discussion and colloquy at 5 o'clock.

Mr. KERRY. Mr. President, I yield such time as needed to my colleague, Senator SMITH of Oregon.

Mr. SMITH of Oregon. Mr. President, I thank Senator JEFFORDS for giving us this time, and my colleague, Senator KERRY, for his leadership on this issue. I also appreciate Senator KERRY's willingness to set aside some of the partisanship that divides us on this issue. There are too many good ideas that Republicans and Democrats share in common for us not to make significant progress on the issue that is on the minds of most parents, perhaps, more than any other—the education of their children.

While Senator KERRY and I will not be introducing our amendment today to this legislation, I think it is important that we take this opportunity to raise the issue of principal training and development.

After speaking with educators, parents, principals, and teachers in both Oregon and in Massachusetts, it became clear to Senator KERRY and I that our principals are too often not prepared to address the needs of our children. As Senator KERRY has said many times, we can't expect our schools to be well managed without good managers. It is time to provide our States and school districts with the resources to train our principals as managers.

Our proposal would provide States the needed resources for the development and training of excellent principals, and the retraining of current principals to improve the way they manage our schools. This competitive principals' challenges grant will allow States to develop programs that focus on providing principals with effective instructional skills and increased understanding of the effective use of educational technology and the ability to implement State content performance standards.

Throughout the debate on the Ed-Flex bill, we have heard a lot about the need for greater accountability. Our proposal does not expect the States to be accountable. Our proposal requires accountability. State educational agencies must specify how the Federal funds will be used for principal training programs, how the use of these funds will lead to improved student achievement and provide, through annual evaluation, evidence of such improvement having occurred.

Importantly, this proposal does not dictate to the States how to implement these programs. Rather, it gives States the opportunity, the resources, and the support to create programs that meet the needs of every school district, rural and urban.

Mr. President, as we continue to debate education reform in the Senate, I believe that we must include a component that reforms the way in which our

schools are managed. We have some excellent principals in our school districts in Oregon, in Massachusetts, and all over the country. We now have an opportunity to recruit excellent principals. They are the CEOs of our schools. We should ensure that every principal has the resources and training to be a successful manager.

Senator KERRY and I believe that our principals' challenges grant proposal is a strong step toward improving the quality of education in our public schools, and we look forward to working with our colleagues during the reauthorization of the Elementary and Secondary Education Act.

Again, I thank my colleague, Senator JEFFORDS, for allowing us time to speak on this issue and for his leadership on the Ed-Flex legislation.

Mr. President, I yield the floor.

Mr. LEVIN. Mr. President, I am pleased to join my colleagues, Senator JOHN KERRY and Senator GORDON SMITH, in the amendment to establish the Excellent Principals Challenge Grant program, which seeks to address the critical professional development needs of elementary and secondary school principals. Last month, during a meeting with the Michigan Association of Secondary School Principals (MASSP), a major concern expressed by them was the lack of professional development programs for school principals. What the school principals of my State said was, just as with the teachers and students around them, they too must keep growing in order to continue to be effective leaders; and as individuals most responsible for implementing vision, direction, and focus for their schools, principals must be fortified with the best knowledge and skills required to effectively manage positive change, including being cognizant of the best ways in which to integrate technology into their schools so that it enhances learning in the classroom.

These are the views of the dedicated school principals of my State, including Jim Ballard, MASSP Executive Director, Sandy Feuerstein of Adams Elementary School in Livonia, Barbara Gadnes of Brighton Elementary School in Brighton, Jerry Dodd of Edsel Ford High School of Dearborn and Bob Cross of Troy Athens High School in Troy, Michigan.

This amendment would facilitate the professional development needs expressed by the principals of my State and principals nationwide. It would establish a competitive grant program to the States, to fund local school districts for implementation of professional development programs for K–12 school principals. Authorized funding would be $250 million for each of the years FY 2000–FY 2004. State and local school districts would be expected to contribute 25 percent of the total cost, with the exception of the poorest school districts that would be exempt from the match. In addition, a commission would be created to study existing principal development programs and report on the best practices to train principals nationwide. Activities would include developing management and business skills, knowledge of effective instructional skills and practices, and learning about educational technology, which has been a special focus of mine in Michigan where I've brought together colleges and universities and other entities in a partnership to move towards making Michigan's standards for teacher training in the use of technology the nation's best.

The expectations for our school principals are high. They are trusted to coordinate, assist and inspire teachers and students, while also monitoring their own personal growth. We must invest in our principals, who dedicate so much to investing in our children. This principal preparation program will allow principals to reach their full potential and at the same time, create public schools that are more organized, well-managed and modern. I urge my colleagues to support this amendment.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, we are currently gridlocked over the most important issue in the country today. I don't think anybody in this Chamber would question that what the U.S. Senate and the Congress chooses to do with respect to education is going to have more to do with determining the long-term transformation that can take place socially and politically in the long run in this country.

We hear countless references within almost every political speech today to the impact of globalization, the impact of technology, the changes that have taken place in the marketplace and, indeed, the extraordinary numbers of challenges that people face in the workplace today. It is almost axiomatic to say that if you are going to earn a decent living in the United States, or anywhere in the world today, you have to be able to manage information; you have to be able to develop your thinking skills.

We live in an information age. Most of the good service jobs and even good light manufacturing jobs, technology-oriented jobs, and certainly the kinds of jobs to which most people aspire at the upper levels of income are absolutely dependent on the maximization of that skill level.

The truth is, however, that in the United States of America today about two-thirds of our high school graduates are handed a diploma although they can read only at a basic reading level. A basic reading level, according to our testing standards, is not a proficient reading level; it is just that—it is basic.

One-third of the graduates of our high schools are at below basic reading level. It is extraordinary that 30 percent of all the students in our country who go to college begin college taking remedial courses to fix what they didn't do properly in high school—remedial writing, remedial math, remedial reading. And colleges are literally required to expend—some might argue, waste—a considerable portion of the collegiate experience bringing people up to the level that they should have been when a principal handed them a diploma—or the chairman of the school board, or whatever dignitary is there—handed them a diploma, and said, ''Congratulations. You are ready to go out into the world and earn conceivably a low-level income, or perhaps even minimum wage.''

I don't think most of my colleagues would argue with the notion that the public school system of this country is in distress. That is why we have such a tension on the floor and in our politics between vouchers and some of the priorities of those who approach reform differently. Most of the debate last year on the floor of the U.S. Senate was focused on either the voucher solution—which is in the end not a solution at all to the problem of fixing public schools—or it focused on construction money and technology money but barely enough on the issue of accountability: How do we guarantee that reforms are put into the schools that are really going to make a difference in how students learn and in how we will know that they are in fact learning?

So Republicans and Democrats talked past each other, each intent on their own sort of ideological goals, with the end result that the Congress did precious little to fix the schools, and another grade, if you will—the kids who went from the 11th to 12th, the kids who graduated from high school, the kids who went from middle school to high school, or elementary school to middle school—all were sort of pushed on in the same state of inadequacy that has characterized the school systems for too long.

I know my colleagues on the Republican side of the aisle want good schools. I have also become convinced that one of the things which most restrains them from joining in some of the Democrat initiatives is the conviction they have that without accountability, without adequate change in the fundamental structure, without adequate capacity to really push the envelope of reform, they would be spending good money that would be chasing bad. I have to say in all candor I don't disagree with that—that in many school systems, if all we do is throw money at the problem, we are not going to be achieving what we want.

There is, however, something that has been happening in the United States for the last 10 years or more which we ought to take note of and respect. That is that the Governors of the States have been engaged in major reform efforts on their own. I think we in Congress ought to take more note of the legitimacy of the connection of the Governors and local governments to the same people who vote for us. They

are held accountable in the same way. The races for Governor across this country are, more often than not now, fought out over the issues of whether or not the incumbent or, in an open race, which candidate is going to provide the best educational opportunities to the kids of that particular State. Indeed, they are accountable in the same way that we are accountable for what we do.

I believe we in the U.S. Congress ought to be perhaps a little more sensitive to and respectful of that process of political accountability and perhaps be a little bit more willing to try to trust the Governors to embrace a certain broad set of reforms that we could in fact target or articulate through the legislative process without becoming sort of management specific, without becoming so intrusive that we tend to have taken the discretion away from them, or in fact asserted ourselves in ways that begin to become ideologically divisive rather than constructive in how we are trying to find reform.

There are many areas where we could do this. I think Senator SMITH and I have been trying together to frame a bipartisan approach to how we might in fact unleash a remarkable level of creative energy within the school systems of our country. I thank Senator SMITH for his willingness to reach out across the aisle and to also try to be thoughtful about what we could do that would most impact the schools of this country.

Mr. President, there are a number of different experiments happening in different schools in America. Private schools have engaged in certain reforms. So, generally speaking, an awful lot of private schools have had an easier road to go down for a lot of reasons that are inherent in the nature of private schools. The nature of their student population, the ways in which they are able to manage, the sort of streamlined accountability that exists within a private school—there are a whole series of reasons. But there are things we can learn from private schools. There are things we can learn from parochial schools.

I often hear people say, ''Gee, go to any parochial school and look at the level of discipline you have,'' or, ''Go to a parochial school and you will find people teaching for less than you see them teaching in public schools, and they teach as effectively or perhaps more effectively in some cases.''

The question is legitimately asked: How is it that in a parochial school you have this broad mix and diversity of student population sometimes found in the inner-city and you are able to do better than you are in a public school?

There are some reasons for that, incidentally. There is a certain kind of creaming that takes place, inadvertently perhaps sometimes, even consciously, or just by virtue of economics, by virtue of even the small fee that people are required to pay, or the simple fact that to get to a parochial school, you need a parent involved in your life who is both sensitive enough and caring enough to get you there, to take you there, to make the decision to pull you out of the other school.

For too many kids who are stuck in our school system, their parents, regrettably, are not that involved. They don't have those kinds of choices in front of them. They aren't aware of them. They do not know how to effect them. There are a whole lot of reasons you wind up with disparities between the schools. But the truth is that there are practices within a parochial school which could serve as a model for what we might try to adopt or try to implement in public schools.

There are obviously charter schools. Charter schools are the reaction to what is happening in the public school system. Charter schools have grown because people are increasingly despairing of whether or not they will be able to achieve the changes they want in their public school. So charter schools come along, and all of a sudden people say, ''Oh, boy, we can escape from the albatross of bureaucracy. We can get out from under the sort of school board politics. We can finally put our kids in a classroom that doesn't have 28 or 33 kids. We are going to get the magic 12 to 18 or something.'' So people say, ''I am going to go for this opportunity,'' and so all of a sudden the charter school increases in popularity. It is a reaction to the failure of the public school system.

But here is the most important thing of all. All across this country, in community after community after community, there are great public schools. There are public schools that work brilliantly. They are not failing; they are on the rise. And what they say to us is that if we pay enough attention to this and work hard enough at trying to fix the things that are broken, you can make a public school great.

No one in this country should doubt that. Because most of the generation that went ahead of us, and the generation before that—generations that are being extolled in book after book now: Tom Brokaw's ''The Greatest Generation'' or other books that are out—all of those generations, the vast majority of them, came out of public schools, public schools that faced a different set of problems than the public schools of today, and those public schools were able to respond.

The bottom line is, and I will repeat this again and again and again, there are not enough private schools, there will never be enough charter schools fast enough, and there are not enough vouchers to save an entire generation of young people when 90 percent of the kids in America go to school in public schools. So the real challenge to the U.S. Senate is not to get locked up in a debate about vouchers and not to get locked up in a debate about some targeted narrow area of reform. The real challenge to the U.S. Senate is, can we come together around a broad set of reforms that will empower the States and local communities to be able to embrace the best practices of any of the schools that work, a public school that can look to any other school and draw on those practices and put them into place? And the bottom line truth is we are not going to do that without a major increase in resources.

I was delighted to see that the Senator from New Mexico, Senator DOMENICI, recently embraced the notion that we should put somewhere in the vicinity of $40 billion into education over the next 5 years, and put it back in the States, liberating the States to be able to embrace real reform. I believe that is a minimum figure, but it is a figure that Senator SMITH and I and others have talked about over the last year or so. That is the raw, essential ingredient necessary to guarantee the kind of broad-based massive reform effort that will help to guarantee the kind of education structure that we want.

No one should doubt if you want a tax cut in America in the long run, invest in children today. If you want to stop the extraordinary increases in spending in the criminal justice system or for chronic unemployment or for drug abuse or for other problems that come out of our juvenile justice system, or a host of other areas, the best thing we could do is guarantee that kids are not running around the streets in the afternoon or going home to empty homes and apartments after school and getting into trouble, or not doing their homework. I don't know what happened to the fundamental notion of raising children: children need structure, and structure in the earliest stages can be provided in schools or in community centers when parents are working until late hours of the evening and are less available to take care of their kids than they were in the past.

Within that context of reform, there are a number of things that could be done. They range from attracting stronger teachers by loan repayment programs or by incentives to draw the higher tiers of SAT scores into teaching for a period of time. There are a number of ways in which we could provide incentives to college graduates who come out of school with $50,000-plus of loans and who need desperately to earn a decent base income to raise a family and to get ahead. We could help supplement that capacity of school districts, particularly in low-tax-base areas where they do not have the ability to do this on their own; we could help them get the best teachers, which is what we want. We could also help school districts deal with the problem of technology. We could also help provide the capacity for ongoing professional education or mentoring. We could help schools keep their doors open into the evenings. We could help turn schools into real centers of community learning for parent and child—alike, into the evening hours.

But one of the most important things we could do—Senator SMITH and I were

going to offer an amendment to the Ed-Flex bill on this—one of the most important things we could do is help deal with the problem of principals. In every blue-ribbon school that I have ever gone into, I have found that the first ingredient that hits you about why that school earned the blue-ribbon award, or why it is a singularly strong school within the public school system, is you will find a principal with extraordinary capacity. I could cite schools in Massachusetts—the Saltonstall School up in the North Shore, or the Jacob Hiatt School in Worcester, or the Timilty Middle School in Roxbury. In all of the schools where I found great learning going on and great enthusiasm, I found, without exception, it was a direct result of an extraordinary principal who was helping to drive the energy of that school.

I think every one of us knows the great impact that a principal makes on a school—principals who are real leaders; principals who can build the vital relationships between teachers, parents, students and the community; principals who are trained and talented enough, when it comes to leadership and when it comes to management, to understand all the nuances of modern education and all the ways they can implement good practices within their school. Without a principal doing that, it is not going to happen.

Here is the reality. As we talk about providing more flexibility in public education, which is what Ed-Flex does, and as we talk about turning over more control on the local level, we are really talking about providing greater responsibility to the 65,000 or so principals in our public schools.

I would like to just point to this chart. This is how we approach the issue of training principals in America today. The fact is that less than half of the school districts in the United States have formal or on-the-job training or mentoring programs for new principals. That comes at a time when we have a greater need for new principals than we had, just as we have a need for new teachers.

In the next 10 years, we need to hire 2 million new teachers. Mr. President, 60 percent of those new teachers have to be hired in the next 5 years. If we don't have an effective principal who is managing a school effectively and searching for those best teachers, we are not going to fulfill this extraordinary opportunity with the hiring that we ought to have, and we are not going to wind up implementing the reforms in the way we ought.

Let me just quote the executive director of the National Association of Secondary School Principals. He said:

> Schools are going without principals, retired principals are being called back to full-time work, and districts have to go to great lengths to recruit qualified candidates.

I believe that this is the unheralded crisis of our education system, the quality of our principals and their capacity to be able to lead and effect reform. It is remarkable that we currently provide so little assistance to the people we trust to do the most important job of education reform. I do not believe we can leave it to chance, that every single principal has received the training or the skills needed to be the kind of dynamic leader that education reform requires.

As the National Association of Secondary School Principals said in their letter supporting this amendment:

> As the individuals most responsible for implementing vision, direction, and focus for their schools, these leaders must be fortified with the best sources of knowledge and skills required to effectively manage positive change.

If we want flexibility to have the kind of impact that I think everybody in the Senate wants, then we have to guarantee as best we can that we help the local communities be able to provide qualified principals in each school who can apply that freedom we are giving them to the work of raising student achievement. That is why GORDON SMITH and I want to introduce a title of our legislation, the Excellent Principals Challenge Act, as an amendment to the Ed-Flex bill, as a way of investing in the school leadership that we need.

The amendment that we contemplate would provide grants to the States to provide funds to our local school districts for ongoing education and training for our principals, to empower them to learn all the best management and business skills the private sector has to offer, and to gain a knowledge of the most effective teaching practices in the country. So even if the principals themselves have not been teachers, as many of them have not been within decades, they can work with the teachers on their staff to help kids learn and to really give our principals the knowledge they need about education technology so they can put to use the new modern instruments of teaching that are now coming to the classroom.

We also need them to be able to seek out and build the collaboratives and the partnerships with business and with the high-tech community to graduate students who are genuinely ready for the information age.

Our amendment would also commission a report on the best practices of the best principals in the country, create a sharing of best practices so that we really start documenting what works best, not in theory, but the reality of what happens in our classrooms, so that Governors and school board leaders and principals in the years to come can bring good ideas to scale in every principal's office in this country.

These are really some of the most important investments that we can make, if we are going to trust that the reforms we want so desperately are going to be implemented in our schools. There are many people of talent who we should encourage to become principals of schools; people who have left the public sector, people who have left the military at a young age, but who have great leadership skills and leadership development. There are many other examples across this country—CEOs who have retired at an early age because they have been very successful with their companies. They have great management skills, great leadership skills. We should be reaching out to these people all across this country to ask them to come in and be part of the job of helping to save our schools.

At an investment that we offer of simply $100 million a year, including a 25-percent matching grant required from States and local school districts, exempting our poor districts, we believe this investment will leverage the local energies so badly needed in order to invigorate new school leadership and make reform work across the country.

I come from an Ed-Flex State. Based on what we have learned in Massachusetts, it is clear that we should increase the flexibility we give to our schools. I have also been willing to recognize, and I have learned that it is not just the flexibility that brings us reform. In fact, if you give flexibility, but do not have strong leadership in place, or you do not have the kind of capacity to put best practices in place from other school systems in the country, then you will not have reform, and flexibility itself will be given a bad name. You cannot bring about these kinds of comprehensive efforts without terrific leadership, and that leadership should come from, must come from principals within each school. It is the first and most important commitment.

As the National Association of Secondary School Principals wrote in their letter of support, this amendment addresses the critical professional development needs of principals as they seek to improve learning for all students.

I hope when the time comes, whether it is on this bill or conceivably in the Elementary and Secondary Education Act, colleagues will join together in embracing not just the effort to provide a better avenue for stronger principals to come into the school system, but will embrace a set of reforms that will truly liberate our schools so that good thinking and common sense can take over from bureaucracy. I think we need a major overhaul of the current structure, but I think if the U.S. Congress were willing to hold out to our schools the most significant incentive grant proposal we have ever provided, we would see the most dramatic change at the fastest rate that we could ever contemplate. Whether it is the hiring of new, stronger teachers, whether it is the lowering of classroom size, whether it is providing the capacity for classrooms that do not currently exist, whether it is raising the capacity of our principals, or even implementing the standards we know we need to measure student performance or even

teacher performance, these things are the sine qua non of any kind of legitimate education reform.

It is time for the U.S. Senate to embrace real reform, not another set of Band-Aids, not a simple little trinket here and a simple little trinket there that satisfies one political party or another or one constituency or another. A broad-based reform ought to be something that we can all understand.

I hope we can cross the aisle and build the kind of coalition of bipartisanship that will make this the year of genuine education reform in the country. We have talked about it for too long. We have lost too many kids to the lack of our capacity to build that coalition. Now is the time to make it happen.

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

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I think there is something that is going to happen at 5:00. I am going to talk for a while and wait and see if the leaders can resolve the little stalemate we have going on on the floor right now.

Title I is a very important program in Nebraska. It serves somewhere between 37,000 and 38,000 students, but costs us about $800 per student per year. We have about 80 schools that have schoolwide Title I programs and about 350 that are in the targeted program.

One of the concerns I have in general with education is, we typically are fighting with peanuts. I do not mean to say that $8 billion is peanuts, but relative to the cost of some of our larger programs we rarely debate around here, Title I is still a relatively low-cost program.

By that I mean, one of my issues since I have come here to the U.S. Senate has been to try to alert both the people of Nebraska, as well as the people in the Senate, that we have a tremendous problem with our growing mandatory programs: Social Security, Medicare, the long-term portion of Medicaid. I must say I am not very pleased with the progress of that debate this year. We are fighting ourselves with a significant amount of constraint in discretionary spending. There is a big debate going on right now whether we ought to lift the budget caps that are currently imposed to $574 billion for this year for budget outlays. One of the reasons there is pressure on that is these mandatory programs continue to take a larger and larger share of the total budget.

For all the talk about Medicare in the last few years, you would have thought we cut it. During the 1997 balanced budget agreement, I know many people were concerned that we were cutting Medicare. Medicare continues to go up about $20 billion per year over the next 10 years. We have to decide, it seems to me, if we are going to maintain laws that place a minimal amount of restriction on business, that keep kind of an entrepreneurial spirit alive and well in the United States of America. I am in favor of cutting some of the regulations we have on business today. We do not impose a great deal of restriction on what people are required to do with their employees.

We have minimum wage laws, but, beyond that, we do not require health insurance and we do not require pensions like many other nations do. If we are going to do that, it seems to me we are going to have to reexamine the fundamental laws we have governing our so-called safety net. That is going to lead us, it seems to me, both to change the structure of our Social Security system as well as to change the structure of our health care system.

Unfortunately, what happens is, we get terrified about the time an election shows up, and we get concerned about whether or not changing eligibility age or some other adjustments in the cost of these programs will enable us to survive an election. As a consequence, we rarely take any action.

Indeed, I must say the President's budget, though it is attractive in many ways, has a couple of significant flaws that make this problem even worse, in my view at least. The biggest flaw is that the President requires us to take the surplus and exchange publicly held debt and transfer it over to, in one place, the Medicare trust fund, the other, the Social Security trust fund—nearly 65 percent I believe the total number is. What this is going to do is give people who are eligible either for an old-age benefit or health care benefit out in the future a larger and larger claim than they have even now on our taxes.

I say that preliminarily, because I examined the Title I program considerably in my State and I see it is doing a great deal of good. It is not just being used for low-income people, although free and reduced-price lunch guidelines mean schools that have incomes of $31,000 for a family of four would qualify. Mr. President, $31,000 is typically Mom and Dad—at least in my community—both out there working like mad, trying to make ends meet. It is not what people would think of when they think of traditional ''poor'' folks. In this case, we have more poverty on a percentage basis in rural Nebraska than we do in urban Nebraska, and, as a consequence, these Title I funds are enormously important. They are like a lifeline. There are 37,000 students being served by it. That is about 17,000 short of the total who are eligible. We have another 17,000 schoolchildren out there who are eligible, by Federal guidelines, to be assisted.

As you examine what is being done by these schools, how they are using these basic grants and the concentration grants, you can begin to get an idea not only of the problems that are being faced but the need that is there and the good that gets done if we are able to provide these Title I funds.

Under the Ed-Flex bill, which I like a lot, we are granting the States some additional flexibility which will be enormously helpful in my State, especially in the rural areas. I have been using this piece of legislation as an opportunity to work with the Department of Education to get them to help Nebraska—in fact, get a waiver to help us develop our Title I plan, using the standards and assessment of the local districts. The State would approve those local plans, but it is not quite a State plan.

We have been having difficulty getting that waiver, and I thank the Department of Education for helping us accomplish this goal. Secretary Riley has been enormously helpful in that regard. It gives us another window into the problems we are facing right now of children of lower-income working families.

Understand that the world has changed considerably. I graduated from high school in 1961, just shortly before the ice started to recede back up into the North. In 1961, three-fourths of my graduating class went right into the workforce. There were good jobs available in 1961 that supported a family at the Havelock shops for Burlington Northern, at Goodyear, at Western Electric, the new AT&T plant that just opened up in Omaha. They were good jobs. The rule was, you went out and got a job. That job supported your family. You did a little time in the service. You came back from the service. The job was there, and you worked at it for the rest of your life.

Mr. President, a third of our high school graduates who are going straight into the workforce today find a much different situation. I support free trade. I want our laws to provide us with free trade opportunities. But that puts a tremendous amount of pressure on these young people to compete in a global economy in a way that I was not required to do when I graduated in 1961.

I would like to keep the restrictions on business to a minimum so that we can grow our economy and allow entrepreneurs and the energy of the entrepreneur community to create new jobs and wealth in America. But if we are going to have both of those things, it seems to me what we have to do is be very diligent in the first place about being willing to tackle these mandatory programs where a larger and larger share of our budget is going, but we are also going to have to be willing to invest in these young people and give this lifeline to the State and local educators who are trying to make Title I a program that does, in fact, give our young people the reading skills, the math skills, and the other skills they are going to need when they graduate from high school.

I am very much troubled about that one-third of the class who are now going right from high school into the workforce with the kind of skills that they have, given what the marketplace is asking them to have in order to get the kind of job they are going to need to support their families.

Title I is one of the bills that has been mentioned repeatedly here on the floor of the Senate, especially by people who are concerned about the impact of this Ed-Flex bill—I believe Ed-Flex is going to enable us to make Title I an even better program than it is right now. Now Title I is one of those programs that has a name on it, a number on it—I know when I talk to educators, I sometimes have to get a translator to tell me what exactly they are talking about—but it also has people behind it.

When you see the impact of Title I, at least in my communities, it is a program that not only deserves to be supported, Mr. President, but, in my judgment, when we reauthorize the Elementary and Secondary Education Act, we need to find a way to put more money into Title I.

We made significant reform in 1994 requiring standards to be developed, requiring assessments to be developed. We made it a much better program. But in my State there are 17,000 eligible kids whom we cannot serve simply because we don't have enough money to get the job done.

There are few programs right now in education—in fact, there is none in education— that I believe does more in my State to help our children acquire the skills they are going to need when they graduate and go into the workforce to earn the kind of living they will need to support a family and to achieve the American dream.

I see the distinguished chairman has walked back on the floor. I am prepared to yield the floor.

Mr. JEFFORDS. The Senator has until 5.

Mr. KERREY. I cannot possibly talk for another 20 minutes, so I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I would like to state where we are and what we hope to accomplish the rest of the day.

Unfortunately, we have broken down in the sense of being able to efficiently and effectively consider amendments on the Ed-Flex bill.

I remind everyone, the Ed-Flex bill is a very limited bill which is supposed to assist States to manage their educational systems better by having a waiver capacity in title I particularly.

Just to give some examples of what we run into on that bill, at this point the State of Vermont has found with Ed-Flex—we are one of the six States that has Ed-Flex—to be at a great advantage in making modifications without the necessity of a waiver, and those modifications can be made within the State.

What this does is allow, in certain circumstances where we have specific percentages set forth which must be reached or you cannot do certain things—.5 percent is an important one with respect to poverty. Thus, communities that have slightly less than .5—say in our case like .48—it is just impossible for you to do anything even with the next-door school which has .5. And there is no reason why those schools should be treated differently. You have to have waiver authority for that outside of the State.

So this bill just makes it so much better for Governors to be able to administer and to be able to take advantage of Federal programs within their States. Thus, it really isn't creating for us any problem at all. That is all we are talking about.

I want to keep reminding people that this bill is something which the Governors, every single Governor wants, and I think everyone here in the Senate should.

I understand Senator MURRAY would like some time. I would be happy to yield to her if I could regain the floor at 4:55. Would that be all right?

Mrs. MURRAY. I would be happy to yield the floor to the Senator at 4:55.

Mr. JEFFORDS. I yield the floor with the understanding I can regain the floor at 4:55.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Washington is recognized.

Mrs. MURRAY. I thank the Presiding Officer and thank my colleague for yielding me time.

Mr. President, I was out here earlier today to talk about the issue of class size. And we are currently discussing the Ed-Flex bill which is a bill that simply means the Federal Government transfers its paperwork to the State governments in terms of flexibility in allowing the school districts to have waivers for different requirements, which I do not oppose, and I think a number of our colleagues will support that.

But what is really expected of us in today's world, where parents and students and teachers and business leaders and community leaders are asking us to deal with education, is to deal with issues that really make a difference in the classroom and in learning.

I will be offering my amendment, as a 6-year effort, to help school districts hire 100,000 new, well-trained teachers in grades 1 through 3. I talked a little bit about that this morning. I wanted to come to the floor this afternoon because one of the questions surrounding reducing class size is whether it is really connected to learning.

When I offer my amendment, I will be talking about four different issues which I think are important reasons that we do this:

First, that it is a bipartisan effort. This is an effort that we began last October. It was supported by Democrats and Republicans. It was supported in both Houses, and it was supported by the administration. We all told our school districts across this country we were going to help them reduce class size. They are now putting their budgets together, and we need to show them that in a bipartisan way we are going to continue this partnership and reduce class size.

Second, I will be talking about research. I will be talking more about that in just a minute. So I will come back to that.

The third reason to do this is that there is broad public support. I hear from law enforcement officers, I hear from business leaders, I hear from teachers, I hear from school board members, I hear from parents, in particular, and I hear from young people that reducing class size is critical and that we need to be a part of the solution on this.

Finally, I will next week talk about the fact that there is a compelling policy reason to pass this amendment now. That is because school districts across this country, school board members, are making their decisions about their budgets right now. They need to know whether last October was just a fluke. Was last October just a political message because of the election or are we really committed to class size reduction?

I will be talking about all of those arguments next week. But this afternoon I really want to focus on the research because I think it is very important that we show why class size reduction really works.

Mr. President, I have behind me a chart which shows that K–12 enrollments are at record levels. That is why we need to deal with this issue. If you will look, we have gone from 45,000 in 1985 and will go all the way up to just under 55,000 in the year 2005. Our school districts are dealing with jammed class sizes, and they are going to get worse if we do not begin to deal with this issue.

All last year, when I talked about my amendment on class size reduction, I talked about research and what it shows. I referenced a 1989 study that was done of the Tennessee STAR Program, which compared the performance of students in grades K through 3 in small and regular-sized classes. They found that students in small classes significantly outperformed other students in math and reading; every year, at all grade levels, across all geographic areas, students performed better in math and reading.

Ask any businessman out there, ask anybody who is hiring a student, ask any teacher, ask any professional, and they will tell you, we need to focus on math and reading in our young students. Reducing class size makes a difference. We knew that from the 1989 study.

A followup study of that STAR Program in 1995 found that students in small classes in grades K through 3 continued to outperform their peers at least through grade 8. They followed these kids, if they started in 1989, and they continued into 1995 outperforming their peers, with achievement advantages especially large for minority students.

Other State and local studies have since found that students in smaller

classes outperform their peers in reading and math, perform as well or better than students in magnet or voucher schools, and that gains are especially significant among African American males.

Mr. President, many of our colleagues have come to the floor decrying the state of education and talking about the performance of our students in math and in reading. Small class sizes make a difference; students perform better. A 1997 national study by Educational Testing Service found that smaller class sizes raise average achievement for students in fourth- and eighth-grade math, especially for low-income students in ''high-cost'' regions.

Particularly of note in the 1997 ETS study was the finding that in eighth grade the achievement effect comes about through the better discipline and learning environment that the smaller class size produces. As policymakers try to make decisions that will affect students in the critical years of middle school, class size makes a difference in terms of behavior and academic achievement. Class size in those early grades transfers to better achievement in the middle grades.

Mr. President, there is good news. These students who were followed in 1985 have continued to be followed, and many of them have now graduated or are just graduating. And last week—just last week—on February 25, I received letters from the head researchers who have been studying the success of the STAR project. As of June of 1998, most of the students from STAR have graduated. A pilot study showed that ''more [of these] students from small classes [in the early grades] had enrolled in college-bound courses (foreign languages, advanced math and science), and had higher grade point averages than students who attended regular or regular-aide classrooms.

''The findings also suggested that small-class students''—students who have been in small class sizes in the early grades —''progress through school with fewer special education classes, fewer discipline problems, lower school dropout rates, and lower retention rates than their peers who had attended regular-size and regular-size classrooms with teacher aides.''

Mr. President, they are now showing us that not only did it make a difference when they were in kindergarten, first, second, and third grades because they were in a small class size, but it made a difference when they graduated. It made a difference on whether or not they went on to college. It made a difference with their grades. It made a difference with their learning.

I have behind me a quote from a letter by Helen Pate-Bain and Jayne Boyd–Zaharias, who were part of the STAR research. They said, ''We can say with full confidence that the findings of this landmark study fully support class size reduction.'' These are the researchers who have been following these young kids who are now graduating. And they began in early grades some years ago.

They said students from small classes—this is what their research shows—enrolled in more college-bound courses, such as foreign languages and advanced math and science. These were kids who came from small classes. They were confident when they graduated. They knew these tough subjects. And they felt qualified to go on and enroll in tougher courses as they went on, because they had a smaller class size when they were younger. They learned the skills they needed. They got the confidence they needed. They had the one-on-one with an adult that allowed them to go on to these kinds of courses. Students from small classes had a higher grade point average. They did better in school. Learning, small classes: Completely connected. They had fewer discipline problems.

You can ask why. I can tell you as a former teacher and a parent of kids in public schools and having been out there many, many times with young kids, when you pay attention to a child when they are having a discipline problem, and you deal with it directly, then you can move on and not continue to have a child with a discipline problem. If you are in a large class with 30 kids, you can't pay attention enough to those kids who have learning difficulties or who are just needing attention, and they tend to be discipline problems later. And this study backs this up. Students from small classes have fewer discipline problems.

Finally, they had a lower dropout rate. These students from small classes stayed in school. Students in smaller classes, especially minorities and low-income students, are more likely to take college admission tests. The chart shows this. The graph on the left is large classes; on the right is small classes. Looking at all students, if you were in a small class, you are much more likely to take college admission tests.

Students in smaller classes had significantly higher grades in English, math and science. Again, how many times have we heard from our colleagues on the floor that we need to make significant gains in learning, particularly in English, math and science. Talk to any business leader today. They will tell you they are looking to hire students who come out of our K–12 programs who have a good, solid background in English, math and science. Smaller classes meant higher grades in every part of the study.

Dr. Krueger said:

> These results suggest that reducing class size in the early grades for at least one year—especially for minority or low-income students—generates the most bang for the buck.

No surprise.

I will be offering an amendment to make our commitment to reduce class size continue over the next 6 years. This is a commitment we made last October. We need to continue to stand behind it.

We have teachers, we have school boards, we have communities, we have businesses, we have young students out there today who know what these studies show—that it will make a difference if we reduce class size. We need to do this now. We need to keep our commitment.

It is going to be bipartisan. If we don't get it done today, I will keep doing it until we get it done, because it is the right thing to do. We hear a lot of rhetoric on the floor about education. We hear that we need to make a difference. My amendment will make a difference. Ask any parent, ask any teacher, ask any student.

I thank my colleague from Vermont for yielding me the time, and I look forward to the debate we will have next week on this amendment.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, my understanding is that under the present situation we are in debate only until 5 o'clock, is that correct?

The PRESIDING OFFICER. There is no formal order to that effect, though there is an understanding to that effect.

Mr. JEFFORDS. That is no problem. I will go forward under either circumstance and do the same thing.

I certainly commend the Senator from the State of Washington for presenting the results of the study. I understand that is the only study that has been done. Obviously, considerable effort was put into doing that.

Again, I emphasize, as I have to all Members, that I want to keep this bill, the Ed-Flex bill, clear of amendments in order that we can expedite its passage. This will have good reception in the House. I want to get this done so the Governors can, as soon as possible, have the flexibility to be able to handle the problems created in the present law—especially title I.

I am not going to accept any amendments that are related to the elementary and secondary education reauthorization. Otherwise, we will be here all the rest of this year talking and blocking all other legislation because we cannot get this little Ed-Flex bill out, which is small but is really important. I have alerted everyone that I will not accept and will oppose any amendments which are related to the Elementary and Secondary Education Act reauthorization on which we are presently holding hearings. We have already had several hearings and we will have more hearings. To do it piecemeal, as Members are attempting to do, to do things in this piecemeal fashion before we have held the necessary hearings is very counterproductive at this particular time.

Also, I remind Members, for those amendments which do set forth an authorization for the expenditure of funds, I will second degree those

amendments and have that money go not to the intended purpose of the amendment but, rather, to fully fund the IDEA; that is, money for special education. If there is a shortfall in funding, there is no question that the shortfall in funding is in IDEA.

Behind me, Senators can see a chart that demonstrates how incredibly stingy the Federal Government has been in meeting its obligations. I was on the committee that wrote the original IDEA in 1976, and I remember when we made the pledge to make sure that the Federal Government was responsible for 40 percent of the cost of special education. As Members probably realize by this time, yesterday a Supreme Court decision greatly expanded the potential for expenditure of funds by saying that under IDEA, we have the obligation now—the States do; I think the Federal Government as well—to pay for health care costs related to special education children. That is a great expansion of the present situation.

This is not a mandate, as someone called it, of the Federal Government. This is a constitutional requirement. Any State that offers free education must offer the free and appropriate education to special education children. Thus, this is a constitutional requirement which we agreed to pay 40 percent.

Now, what our goal is—the Republican goal—we have increased the funding by some 85 percent over the last 3 years. That was all done by Republicans for the purpose of trying to get us closer to that 40 percent that we agreed to do back in 1976.

I want to make that clear as we try to move forward on this bill. I know there are a number of amendments that have been put forward contrary to my feeling that we should not be amending the Elementary and Secondary Education Act until such time as we have held the appropriate hearings, and that we should only concentrate on the Ed-Flex bill to free the Governors of the kind of complications they have now with respect to trying to get through the maze of regulations, in order to free up flexibility to help more of their communities with the limited funds they have.

Hopefully, we will be offering an amendment in the not-too-distant future that will assist in moving toward improving the Ed-Flex bill, so that we can bring it to an end and be able to pass it out in an expeditious way to help the States be able to handle the problems from which they are suffering.

I am hopeful Members will understand. I hope my friends on the other side of the aisle will not try to take advantage of this opportunity to prematurely amend the Elementary and Secondary Education Act. I hope they will wait until the hearings are finished, and until such time as we have an orderly process, to delineate what the new Elementary and Secondary Education Act should contain.

In a moment I will send an amendment to the desk in order to make progress on the Ed Flex bill. This amendment is drafted to the text of S. 280 rather than the pending substitute. Members should be aware that we will vote shortly after that—depending, of course, on debate—in relation to the amendment.

Mrs. MURRAY. Will the Senator from Vermont yield for a question?

Mr. JEFFORDS. Not at this point. I am ready to offer the amendment.

AMENDMENT NO. 38

Mr. JEFFORDS. 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 Vermont [Mr. JEFFORDS] proposes an amendment numbered 38.

In the language proposed to be stricken by amendment No. 31, at the appropriate place insert the following:

**SEC. . PUBLIC NOTICE AND COMMENT.**

The Secretary of Education shall prescribe requirements on how States will provide for public comments and notice.

Mr. JEFFORDS. Mr. President, I move to table the amendment.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. JEFFORDS. 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. JEFFORDS. 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. JEFFORDS. 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. JEFFORDS. Mr. President, I ask unanimous consent that the Senator from Arkansas be allowed to speak and that the vote occur at 5:15.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Is there objection?

Without objection, it is so ordered.

The Senator from Arkansas is recognized.

Mrs. LINCOLN. Mr. President, I am delighted to be here today to speak on behalf of one of the issues that I think is the most important to our Nation. The great philosopher Edmund Burke once said, ''Education is the cheap defense of nations.'' So I think it is appropriate that we have moved on to education after last week's discussions about military spending. I tend to maybe disagree with some of my colleagues over there. I do think this is a very important issue to be discussing right now in the context of all of the different things we can be doing on behalf of our children, which I do think are our greatest resource.

Investing in our children is the best national investment we could possibly make at this stage of the game. Giving our children the tools to succeed is a valuable investment in the success of our workforce and the resulting economy.

Schools are not just buildings where children and teachers spend their days. Our schools serve as the cornerstone of our neighborhoods, and they are the most basic building blocks that our children need to compete in the future and in the coming 21st century. There is no doubt that our time is very well spent in this debate here not only on the issue of Ed-Flex and being able to give States and school districts flexibility to be able to produce the best workforce possible, but it is also a great time for us to be speaking in the context of all issues related to education—certainly, increasing our teachers and making sure that we have the proper infrastructure.

We all have our particular areas in education of great importance, and certainly, we all represent different areas in the country that have specific needs. But we must ensure that as we discuss any legislation to repair our educational infrastructure, our school buildings, and classrooms, that we remember the needs of rural areas as well as urban areas.

We must also do our best to equip all classrooms with the proper wiring and equipment so all of our children can ride the information highway, not just those in urban areas. When I served in the House of Representatives, I worked on the telecommunications conference, and I recognized how absolutely vital it was for us in rural America to have an interest ramp onto that information highway.

Let's not overlook the importance of parental involvement in our educational reform discussions here. When parents read with children each night and help them with their homework, they reinforce what their children have learned during the day. This is so totally appropriate, not only that we are talking again about the flexibility we can provide States and districts but of every aspect of education. And if we spend the first 2 months of this session talking about education and reinvesting in our children, it is certainly worth it.

Teachers will certainly have greater success in the classroom if parents are doing their part as well. We have a great example in northwest Arkansas of a family night constructed by a school district to help bring together fellowship in that school area with parents, local businesses, superintendents, principals, administration, teachers and students to come together in fellowship and understand their school community and how important that school community is to the overall community.

My sister and many of my other relatives are teachers. They have talked to me about the importance of getting

our children ready to learn. When you have a classroom of 5-, 6- and 7-year-olds who come in and are hungry or scared or they are sick, they can't possibly learn. School nutrition is absolutely vital to our children if they are going to be able to learn, to take on the tools they are going to need to be competitive. It is absolutely essential. I have met with teachers who have told me for years they could do their jobs better if they also weren't subbing as psychologists, doctors, and disciplinarians.

There is so much we can do. We can fill our time and our debate here with investing in that great resource of our children. These teachers have also told me one of the most important things we can continue to do is, again, reinforce those nutrition programs in our school districts. I have done some of that debate in our recent hearing this week in the Agriculture Committee, and I hope we will continue debating what an important role that plays in this discussion we have here.

As we discuss ways to empower teachers and improve teacher quality, let's try to support our teachers with resources so they can deal with the troubled children who are in our Nation's schools today. Whether children were born with the side effects of crack cocaine, or have witnessed domestic violence at home, or are tempted by others to smoke, these problems affect their performance in the classroom, and we must be focusing on how to eliminate those temptations to our children. Reducing class size is the first step toward helping our teachers deal with these issues, both being able to get the students' attention, but more importantly, to be the best teachers they can possibly be.

It is important that we move quickly to put 100,000 new teachers into the classrooms because school districts are making hiring decisions right now for the fall. That is what makes that issue important and a part of this legislation that we are discussing right now.

In my own State of Arkansas, like many of the other States that are represented here, a majority of our teachers are beginning to retire. We are losing a large number of our teachers over the next few years to retirement, and if we don't address the issue of teacher recruitment right now, we are going to be in serious trouble in many of our States.

We will not have the qualified teachers to be able to teach our children, to nurture them in what it is that they need to be competitive in the future.

I certainly appeal to my colleagues that all aspects of education must be addressed, and must be addressed as quickly as we can, because we certainly at this point must recognize that this greatest resource of ours, our children, and our future in this Nation are in jeopardy if we are not doing all we can in this debate to provide the best education possible for our children.

Let's reverse the unfortunate road and trend of fewer young adults pursuing a career in education. Let us work towards giving teachers the incentive not only in pay but in stronger classrooms, smaller sizes, and a better capability of reward in what it is that they are there to do, and that is to teach our children.

I thank my colleague for bringing this issue up. I am very supportive and have been an original cosponsor of Ed-Flexibility. But, more importantly, I think it is extremely appropriate for us to be discussing these issues of education. I hope we will continue this discussion and continue to improve this bill with so many of the opportunities that we have before us.

I thank the Chair.

Mr. KENNEDY. Mr. President, will the Senator be good enough to yield for a question?

Mrs. LINCOLN. I am glad to yield.

Mr. KENNEDY. I want to thank the Senator for her statement and for her excellent summation of some of the challenges that are facing the children of her State, and also across this country.

The Senator has spoken to the members of our Health and Education Committee about some of the challenges that exist in the rural areas of her State, particularly in terms of ensuring that those children have access to the types of technologies which are commonplace in so many of our schools—not commonplace enough, but at least are important tools for learning—and to make sure that they have teachers who are going to know how to use those technologies in ways that might be taught in those schools.

I know this has been one of the special areas she has been interested in based upon her own visits to a number of the different communities across Arkansas. I want to indicate to her that we look forward to working closely with her on that issue as well as other issues. It is a matter of very significant importance. We welcome the chance, as we have talked with her about her concerns about education, to make sure that these items are given priority.

I thank the Senator.

Mrs. LINCOLN. I appreciate my colleague's concern. I would like to express to him—and I think it is probably the sentiment of many of the Senators from rural States—having visited with some of my communications workers on the technical aspects of what we need to do in order to bring our schools and the infrastructure up to the level where they are actually going to be able to house these wonderful pieces of technology and computers, that we have to bring those buildings up to standard if we don't want to create fire hazards by overwiring classrooms to try to accommodate equipment that we are not prepared for in the buildings. We really have to focus on that kind of investment and infrastructure in our classrooms. I have certainly seen it, traveling rural America—the problems that we see out there. I am dedicated to making sure that all of our children of this Nation receive that help.

Mr. KENNEDY. Generally speaking, we understand from the various General Accounting Office reports that there is about $125 billion worth of needs for our schools, K through 12, to bring the buildings and facilities up to safety standards and to meet other kinds of codes. In many different communities, whether it is urban or, as the Senator pointed out, rural, there are not sufficient resources to help. Those communities can help somewhat. The State can help somewhat. But they are looking for a partner. At least I find that is true in my own State. We are going to have an opportunity to address that particular need, to try to figure out how we can best partner with the State and local communities and work with those in the rural areas as well as the urban areas.

I want to give assurance to the good Senator that we want to work very closely with her as we try to work through this process. I believe we can take some important steps in this Congress in that area. We look forward to her insight and her assistance in doing so.

Mrs. LINCOLN. I appreciate my colleague, although he probably grew up as a city boy, understanding the needs of us in rural America. It is very important to us. We really appreciate it.

(Laughter.)

Mr. KENNEDY. I accept that definition. I have not been described in that way, but I am glad to be described in that way.

I thank the good Senator.

Mrs. LINCOLN. I thank the Senator. I thank the Chair.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the vote be postponed until 5:20 and that Senator BURNS be able to proceed for 5 minutes.

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

Mr. BURNS. Mr. President, I thank my friend from Vermont and my good friend from Massachusetts. It won't take me long to make a couple of points before we go into the vote, because I think everybody wants to wrap up and get out of here for Thursday evening.

I am pleased to cosponsor and support this Ed-Flexibility Act. I want to make a couple of points. I want to thank our good friend from Tennessee, who a couple of years ago really elevated the awareness on the importance of this issue. The report that he prepared stands to be read by everybody.

I don't know if everyone visits schools when they go home. But for the week that I was home a couple of weeks ago, I had two or three chances to go into some high school assemblies and to talk with some teachers. The problem they are incurring is that they teach for a half-day and then they spend the rest of that day on paperwork compliance.

I think this is a very first step where teachers and parents and principals can

make some very vital decisions on the education they want to give our children. All 50 States have the ability to grant individual school districts waivers from selected Federal education requirements, like title I—there is no lack of support in this body for title I of the Elementary and Secondary Education Act—and even the Carl D. Perkins Vocational Act and the Applied Technology Education Act.

When we talk about distance learning, nobody has been involved in distance learning longer than I have on the Commerce Committee, and I think the Senator from Massachusetts. We work very hard on demonstration units of distance learning. We even did it here on the inner cities and worked very, very hard on two-way interaction between teachers.

We have over in eastern Montana, where we have a lot of dirt between light bulbs, schools as far as 200 miles apart with teachers sharing sciences and languages in a class. She teaches there and also interacts live with students in three other classrooms. The total graduating class of all those schools put together will be fewer than 50.

Distance education, making those decisions of using the new technical tools that we have developed, has been one great thing to watch. It blossomed. Now we are teaching teachers in our land grant universities how to use those tools.

Unfortunately, right now many of our Federal education programs are overloaded with rules and regulations. States and local schools waste precious time and also resources in order to stay in compliance. It is obvious that these State and local districts need relief from the administrative burdens that many federally designated education programs put on States, schools, and education administrators.

We hear a lot about numbers of children in classrooms. I want to tell you, in our State the numbers are sort of going down. The goal of this legislation and our goal should be, at the Federal level, to help States and local school districts to provide the best possible first-class education for our children that they can. They can't do it if they are burdened with rules and regulations and always reading the book on compliance. This is one big step toward taking care of that.

I compliment my friend from Vermont on his work in education and his dedication to it, because we will probably not take up any other piece of legislation that will have as much impact on local neighborhoods, on our taxing districts, and also the attitude of educators at the local level.

This is one giant step in the forward direction. It won't fix all of the problems. It won't fix them all, because we can't fix them all. But I think it places the trust back in the people that the Federal Government, yes, does play a role. We want to play a role. But we want to play a constructive role in helping meet the needs of the local communities and put the decision back with teachers, parents, and, of course, administrators at the local level.

I thank my friend from Vermont for yielding the time.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the motion to table the amendment. The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kentucky Mr. BUNNING and the Senator from Oklahoma Mr. INHOFE are necessarily absent.

Mr. REID. I announce that the Senator from North Dakota Mr. DORGAN is necessarily absent.

The result was announced, yeas 54, nays 43, as follows:

The result was announced—yeas 54, nays 43, as follows:

[Rollcall Vote No. 32 Leg.]

YEAS—54

| | | |
|---|---|---|
| Abraham | Frist | McConnell |
| Allard | Gorton | Murkowski |
| Ashcroft | Gramm | Nickles |
| Bennett | Grams | Roberts |
| Bond | Grassley | Roth |
| Brownback | Gregg | Santorum |
| Burns | Hagel | Sessions |
| Campbell | Hatch | Shelby |
| Chafee | Helms | Smith (NH) |
| Cochran | Hutchinson | Smith (OR) |
| Collins | Hutchison | Snowe |
| Coverdell | Jeffords | Specter |
| Craig | Kyl | Stevens |
| Crapo | Lincoln | Thomas |
| DeWine | Lott | Thompson |
| Domenici | Lugar | Thurmond |
| Enzi | Mack | Voinovich |
| Fitzgerald | McCain | Warner |

NAYS—43

| | | |
|---|---|---|
| Akaka | Feingold | Lieberman |
| Baucus | Feinstein | Mikulski |
| Bayh | Graham | Moynihan |
| Biden | Harkin | Murray |
| Bingaman | Hollings | Reed |
| Boxer | Inouye | Reid |
| Breaux | Johnson | Robb |
| Bryan | Kennedy | Rockefeller |
| Byrd | Kerrey | Sarbanes |
| Cleland | Kerry | Schumer |
| Conrad | Kohl | Torricelli |
| Daschle | Landrieu | Wellstone |
| Dodd | Lautenberg | Wyden |
| Durbin | Leahy | |
| Edwards | Levin | |

NOT VOTING—3

| | | |
|---|---|---|
| Bunning | Dorgan | Inhofe |

The motion to lay on the table the amendment (No. 38) was agreed to.

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

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

The legislative clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Mr. President, it is now 6:10 p.m. on a Thursday evening, and we have had this Ed-Flex legislation before the Senate since yesterday. The Ed-Flex proposal would permit States and local communities to have greater flexibility with accountability for scarce resources that are provided by the Federal Government—in this case, the Title I program, which is about $8 billion that focuses on the neediest children in this country. There was an effort to give greater flexibility to the local communities, consistent with the purpose of the legislation, to try to have a more positive impact in the achievement of the children in this country.

This legislation was thought to have been a part of the Elementary and Secondary Education Act. We were going to have an opportunity to consider those measures together, but it was a decision of the majority of the committee to vote that out as an early piece of legislation. I voted in favor of that process and procedure. And then there was the indication by the Majority Leader that this measure would be before the Senate at an early time in this session.

We had legislation last week to address the very important, critical and legitimate needs of our service men and women, to try to give them a fair increase in their pay—particularly those individuals who are serving in harm's way in many different parts of the world, but generally for the armed services of this country, in order to make up for the failure to do so at other times. We had a good debate on that, and it was voted on. We had 26 different amendments that were advanced during that period of time, some of which were accepted and some of which we voted on. But we came to a conclusion on that particular measure.

So we started the debate on Ed-Flex. I don't think most of those American families who are watching now would really understand exactly what Ed-Flex is really all about. Nonetheless, it might very well provide some benefit to some young people in this country, and we were going to move ahead with it. I think most parents would understand if their children were in a classroom where there were fewer children in the class and a well-qualified teacher was interacting with that child and the 17 or 18 other children in that particular classroom, rather than the 30, 32, or 33 children in many classrooms across this country. I think parents would understand the advantages of moving toward smaller classes.

I think the overwhelming majority of Americans would favor that action, and we have an excellent proposal to do that, which was accepted by Republicans and Democrats in the final hours of the session last year prior to the election. And now we have many of those communities that are asking, ''Well, should we just hire a teacher if we are only going to have a teacher for 1 year? Let us know, Congress of the United States. You didn't do the whole job last year in authorizing it for the complete 6 years. Let us know whether you are going to make the judgment

and decision, as recommended by the President, that we ought to have the full 6 years.'' The President of the United States, in his budget, has allocated resources to be able to do that. The communities want to know.

Senator MURRAY has an excellent amendment to deal with that issue. I don't know about my other colleagues, but I know that in my own State of Massachusetts, communities want to have an answer to that particular question. And we are prepared to move ahead with that debate. We are prepared to have a full discussion on the floor of the U.S. Senate. We were prepared to do that yesterday. We are prepared to do it tonight. We are prepared to do it tomorrow or Monday, or at any time. It is of critical importance, and it is the kind of business that we should be dealing with in terms of education.

Families can understand smaller class size. Families can understand, as well, the importance of the development of afterschool programs. I referred, earlier in the debate, to the excellent review that has been made by independent reviewers on the value of the Title I programs, and there were a number of recommendations in there. They noted that we have made some important progress in the past few years in targeting the Title I programs more precisely, as we did in the last reauthorization legislation. But we also know of the importance of the afterschool programs.

I will mention this report, the evaluation of promising results, continuing challenges, of the national assessment. This is about Title I from the Department of Education, 1999, and was just released. One of the findings shows that in a recent study of elementary schools in Maryland, the most successful schools were seeing consistent academic gains as a result of extended-day programs. Afterschool programs are extended-day programs. And there are others, such as programs that extend into the weekend and summer programs that continue the education during the summer months.

There are a number of different ways that local communities have been implementing afterschool programs. Last year, we had some $40 million in appropriations for afterschool programs, and there were $500 million worth of applications for those programs coming from local communities. The President has raised his appropriation up to $600 million to reach out to one million children in the country and provide afterschool programs. We have an excellent amendment by our friend and colleague from California, Senator BOXER, and also one from Senator DODD in that particular area—one would be based upon the schools, and the other would be based upon nonprofits. They are somewhat different approaches, but I think they both have very substantial merit.

Nonetheless, Mr. President, we have the opportunity to vote and debate on a measure that will make a real difference in terms of families' lives for extended-day programs. That will make a difference. It will improve quality education and student achievement.

We were prepared to move ahead with that particular debate. But that, evidently, will not be the case. We had a good opportunity and a good record to explore and to engage those that would differ with us. We have the amendment that our colleagues are familiar with that was advanced by Senator BINGAMAN, REID and others, that brought special focus and attention on the problems of school dropouts. Sure, we have a lot of dropout programs. But this program was very innovative in terms of the evaluation of that, and was successful in implementing a program that can make a difference.

I commend those Senators for the work they have done on it. In the past, that amendment was accepted overwhelmingly by this body. That could make a difference to children that are in school now, today and tomorrow. We were prepared to debate that program, but we have been unable to bring that to resolution.

As the good Senator, Senator BINGAMAN, pointed out, some 500,000 children drop out of school before graduating from high school each year. There are important reasons for that. There have been successful programs to try to correct that. But this was a worthwhile effort to bring the authorization of funding for that particular program.

My colleague and friend from Massachusetts, Senator KERRY, had a modest program to provide additional help, assistance and training to principals to help them deal with some of the more complex issues that they face. And that is a very, very worthwhile amendment.

Our good friend from North Dakota, Senator DORGAN, and others had a program to have a report card on various schools so that parents would have better information about how the schools were doing.

There were others, but not many others. I haven't gotten the complete list at this time, but there are a few others.

But on each and every one of those, Senator DASCHLE was prepared to recommend to all of us that we move ahead with short time limitations. As far as I was concerned, we would have been able, at least from our side, to have concluded the consideration this measure by Tuesday of next week. We were glad to try to accommodate the interests of the majority in working out the time limits of these particular measures, and even the order of them. We assume that there may be amendments to be offered by the other side, including the very important amendment that was brought to our attention with regards to IDEA and children with special needs. That amendment would provide additional help and assistance to local communities, through IDEA, to offset some of the serious financial burdens of educating of children with special needs.

We have an important responsibility to children with special needs, and the States have an obligation under their own constitutions to educate every child.

We did make the commitment back in 1975 that we would establish a goal of 40 percent federal funding, and we have failed to do so.

I believe very strongly that we should support those programs, particularly in light of yesterday's Supreme Court decision that will permit children with special needs to continue their education. It will be supported by the local communities as well. That will add some certainty for those children, so they will be able to continue their education.

That is the most important and significant aspect of the program. But there will be some additional financial responsibilities. This is an area of national concern, because all of us understand that our participation in the education process is limited and targeted to special priorities. We have made disadvantaged children and the neediest children in our country a priority. Certainly those with special needs ought to be a national priority as well. We ought to be willing to help children, regardless of what community they live in, and regardless of what their needs may be.

Mr. President, these are some of the items that we are talking about. I think most families in our country could make up their mind pretty easily about the kind of priorities that we should be considering. I think the overwhelming majority of Americans would feel support for the programs I have begun to outline.

Let me point out that they are very modest and important programs, with demonstrated effectiveness. Certainly we are able to do so and support those programs. Many of them, as I mentioned earlier, have already been targeted for support by the President in his budget—financial support has been there.

Mr. President, we find ourselves in the situation on Thursday evening where effectively by the rules of the Senate are not going to be debating these issues tomorrow, we will not be debating these issues on Monday, and at 5 o'clock the Senate will vote whether or not we are going to exclude all possibility of considering those amendments on this particular measure. We will not spend the time tomorrow, which we certainly could, in debating and considering these issues. We will not do it on Monday. And we will delay the eventual outcome of consideration of these measures to a future day.

We heard earlier today, around noontime, that those that are supporting the measure of Senator BINGAMAN were actually filibustering the legislation. This is after a day and a half of considering the amendments to the Ed-Flex

legislation. We had indicated at that time that we were prepared to accept—at least Senator BINGAMAN was—the amendment and move ahead.

It reminds me of where we were at the end of the last session where we were effectively denied any opportunity to bring up the patients' bill of rights, which American families were so strongly in support of. We were denied the opportunity for fair consideration and debate on it. We were denied the opportunity to consider an increase in the minimum wage for working families in spite of the extraordinary progress that we have had—economic prosperity which so many have participated in, but not those at the lowest end of the economic ladder. We were prepared to refute the case that a modest increase in the minimum wage is going to mean lost jobs or is going to add to the inflation in this country, ridiculous claims by those that were trying to stop any increase in the minimum wage.

We will have an opportunity to consider a minimum wage increase. I must say that the responses that Speaker HASTERT has given on the consideration of the minimum wage has given us some reason to hope that we will have an opportunity to debate and to act on increasing the minimum wage. But we were denied that chance in the last Congress, as we were denied the opportunity to act on a patients' bill of rights.

Some of us have come to the conclusion that the only way we can get a vote is if we offer an amendment that the majority agrees with. That seems to be the rule. We are denied the opportunity on this side to bring these matters up and have a full debate. I quite frankly don't understand why this should be so. The American people want action in the field of education. I believe they want partnership—a Federal partnership with the State and with the local communities. They understand the primacy of the local control on education, and they understand the importance of State help and assistance to many different communities. And they value the limited but important targeting that is given by some of the Federal programs.

But they want to have the participation of all of us in a partnership to try to help families. They have heard the various philosophical and ideological debates. They want action. They want well-qualified teachers in every classroom. They want classrooms where children can learn. They want to make sure they are going to have the kinds of technology in those classrooms which will permit children going to public school to compete with any young person going to school in any part of the country. They want their teachers' skills upgraded so they can integrate those skills into the curriculum with additional training.

They want afterschool programs, because they know that it makes a difference to give a child the opportunity to get some extra help in the course of the afternoon—maybe getting their homework done instead of watching television or engaging in other kinds of unhealthy behavior—so when the parents return home, the child can spend some quality time with those parents and the parents don't have to say, ''You have been watching television all afternoon. Get upstairs and get your homework done.'' These are issues about which families care very deeply.

Sure, we have a full agenda on many matters—on Social Security, but Social Security reform is not ready for debate; on issues dealing with Medicare, but Medicare is not ready for Senate consideration either. Sure, we have important responsibilities in trying to get a Patients' Bill of Rights, but we are attempting to work that out through the committee process and hopefully will have an opportunity to address that in the next several weeks. Yes, we have important responsibilities in protecting the privacy of individuals regarding to medical records, but that legislation is not ready to be considered.

I really challenge the leadership on the other side to indicate to the Members what is on the possible agenda here that is more important for our attention, effort and debate than the issue of the education of the young people of this country. There is nothing. That is why this course of action, of effectively denying the debate and for the Senate to work its will in these very important areas, is so unacceptable—unacceptable.

We want to make sure that those families understand. You might be able, although I don't think they will be able, to have cloture, in effect denying Members the opportunity to consider those particular amendments on Monday. But you are not going to make this battle go away, because those amendments are going to be offered on other pieces of legislation—they make too much of a difference to families. They are not going to go away. It is the early part of this session. We are not in the final hours when you are able to jimmy the rules in order to deny the opportunity for people to bring these matters up. You cannot do that now. We are going to insist that we have this debate and discussion, and have the Senate work its will.

I thank our colleagues today who have been willing to participate in this effort and have spent close to 3 hours or so in quorum calls during the course of the day when we could have been debating these issues. I hope we will not hear anymore from the other side about filibustering by amendment, because there are too many who have waited too long to try to at least get a result here in the U.S. Senate on some of these issues.

I know, finally, that it is painful, evidently, for some of our colleagues to vote on some of these matters. We heard a lot of that this afternoon, ''We don't want to vote on it. It is painful to vote on them.'' That is, unfortunately, what this business is about. It is about choices and priorities, to a great extent. We have every intention of pursuing these issues. We are not going to be denied. I believe we will not have cloture on Monday. It will be up to them, then, whether we are to deal with these issues in the timely and reasonable way which we are prepared to do. But if that is not the case, I just want to make certain everyone in here knows—I know this from speaking to our colleagues who have worked so hard in so many of these different areas—that we are going to be quite prepared to advance these frequently, on each and every opportunity that will present itself.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I will not resist the opportunity to make a few comments about what we have been doing here today. Both sides are very much interested in improving education. I don't think the enthusiasm of one side is outweighed by that of the other side, or vice versa. But the question of how to do it at this particular moment is the question with which we are faced.

This side believes very strongly that we need to ensure when we vote for new programs, when we vote billions of dollars for the existing programs, we ought to know whether or not they are working. Our system is set up in a very logical way. Every 5 years we take a look at programs, and we reauthorize the Elementary and Secondary Education Act, which is up this year. It is the most important piece of education legislation we have. It is not something which should be ignored, saying, ''We don't need any hearings. We don't need to worry about anything. We know the answers already.''

Let's examine where the ''already'' is, and what has happened. We had notice in 1983 that we had a terrible educational crisis in this country. The Nation at Risk report came out during the Reagan administration. The Governors got together in 1988, and they formulated the goals that we ought to be meeting. Here it is in 1999—and I sit on the Goals Panel—and there is no evidence that we have made any improvement in anything that is measurable.

So why would we go racing out to fund programs about which we have had no hearings at this time? That is neither an appropriate nor a logical way to proceed. What do we know? We know a couple of things. First of all, we know from the experiences we have had with the experimental programs in six, and then twelve, States that more flexibility in existing program regulations will enable States to more efficiently and effectively use that money. All of the Governors say, ''Please, help us and release us from the growing volume of burdensome regulation.'' That

is all we are trying to do. It is something we can do quickly, now, and get action immediately.

Second, where is the greatest need for resources right now in this country? It is at the local level. The programs that are being discussed are dealing with matters which are primarily being addressed at the local level. But where Federal support is needed most is where we promised it would be provided back in 1975–76 when we passed the bill to open up vistas for children with disabilities so they had an opportunity for the kind of education which was appropriate for them. We guaranteed—quote-unquote, I suppose, from a Federal perspective—that we would provide 40 percent of that funding. Yesterday's Supreme Court case has greatly, incredibly worsened that situation by requiring that not only do we have to provide an appropriate education at the State level, but also that somebody has to provide the health care to ensure that when that child is in school, he or she receives the best health care to enhance their education.

Where is that burden going to be? Right now it has just been placed right at the local level, where it remains if we do not do something about that as soon as possible. What we have been saying today, and what we have been dedicated to as Republicans for the last 3 years, is that we must ensure that those communities that are trying to provide educational opportunity for children with disabilities have money enough, as promised to them by the Federal Government, to enable them to meet those needs.

It would take $11 billion to raise that level now to what we promised back in 1976. What we are saying is, before we go off into untried programs which have not even had hearings, we ought to provide that money immediately or make it available for the process of appropriations immediately. So, we will take the money that is in these programs that are untried—the authorizations—and say: Give it to where it is really needed, to the local governments and the States so they can provide an education for the young people, all of the young people, which they cannot do by themselves because the demands are so high and because we have failed to provide to them the $11 billion they are entitled to under our promise.

So I implore, my good friends on the other side, we are not trying to in any way hold anything up. What we are trying to do is to get a straightforward bill passed which will immediately help the States to maximize their resources. That's what we want to do. Instead, rather than being able to take this small step forward, we are having to go through this whole process of being asked to adopt all these programs about which we have no evidence whether or not they will work.

The Department of Education now is spending, I think, $15 billion under Federal programs supporting elementary and secondary education, and we do not know if they are working. As far as we can tell, little or nothing is working. So we have to get in there and make a careful examination of these programs. That is what we should be doing—and what we are doing—through the reauthorization process. We have already had hearings to find out what is working, what is not working, and why is it not working. We will have further hearings to explore these issues. I cannot even tell now, from reading reports, from research, or anything, what impact this money is having. Before we start new programs with large sums of money, we ought to at least know whether the ones we are supporting now are working. We simply cannot go charging off to try to grab scarce resources to fund programs that are not effective.

We in no way are trying to hold things back. We want to give help immediately to the States in order to loosen up existing resources to help the local communities improve their schools.

I really get a little bit excited when the claim is made that we are trying to stop things from happening, when our whole purpose here is to try to make available to all 50 States the opportunity to improve their ability to deliver quality education. Then, we must have the hearings we need so we can go forward responsibly in reviewing Federal efforts in elementary and secondary education in their totality and do what our job is supposed to be.

Some examples: The program which has been mentioned with respect to afterschool activities is one which I authored in 1994 and which was enacted as part of the Elementary and Secondary Education Act reauthorization bill that year. That program—21st Century Schools—already exists. The President has embraced it as his own. He now thinks it is a great initiative, after previously refusing to put any money in it at all. I am happy that that program is now funded and is likely to receive further funding increases. I am also aware that the President would like to see changes in the program, but this is not the time to try to suddenly put them in place. We need to go through the regular authorization process. I am anxious to do just that, but I want to do it right.

We are just trying to proceed in an orderly fashion. I hope that we have an opportunity, even tomorrow, to move this bill forward. We can pass it tomorrow. Then, let us put all our effort into hearings on elementary and secondary education so that when we do things, we know what we are going to do, and hopefully we will find some things that will work.

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

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

The majority leader.

Mr. LOTT. Mr. President, for the information of all Senators, the Senate has now been debating the pending education flexibility bill for approximately a day and a half. There has been some good debate. A number of Senators have been able to speak on behalf of this very important bipartisan legislation that is supported by the President and supported by the bipartisan National Governors' Association. I am pleased that we have it up early in this session, and I am pleased that we made some progress.

But while progress has been made on this vital piece of legislation, I am beginning to sense now that there is a feeling of gridlock on the part of our Democratic colleagues, if they are not successful in offering nongermane amendments or if they are not able to offer them in the way they would like to. I hope this is not true.

I know there is a genuine effort on both sides of the aisle to work through a way we can get to completion of this legislation in a reasonable time next week, so that we can move on to the next bill that will be considered, including the emergency appropriations supplemental bill which was, I believe, reported out of the Committee on Appropriations this afternoon.

CLOTURE MOTION

Mr. LOTT. Mr. President, in order to assure prompt passage of the bill, I now send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on amendment No. 31 to Calendar No. 12, S. 280, the Education Flexibility Partnership bill:

TRENT LOTT, JIM JEFFORDS, JOHN H. CHAFEE, ROBERT SMITH, THAD COCHRAN, ARLEN SPECTER, SLADE GORTON, MITCH MCCONNELL, RICHARD SHELBY, BILL FRIST, LARRY E. CRAIG, JON KYL, PAUL COVERDELL, GORDON SMITH, PETER G. FITZGERALD, and JUDD GREGG.

CALL OF THE ROLL

Mr. LOTT. Mr. President, I ask unanimous consent that the mandatory quorum under rule XXII be waived.

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

Mr. LOTT. Under rule XXII, this cloture vote will occur then on Monday, March 8. I ask unanimous consent that the cloture vote occur at 5 p.m. on Monday and that there be 1 hour prior to the vote to be equally divided between Senators JEFFORDS and KENNEDY for debate only.

Mr. KENNEDY. Reserving the right to object, will the leader ask for 2 hours equally divided? Is that agreeable?

Mr. LOTT. I think that is fine, Mr. President. I amend my request to that effect, with the time equally divided.

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

Mr. LOTT. Again, I hope progress can be made on the bill. There have been some proposals going back and forth, and we will continue to work on those, hopefully later on tonight. Tomorrow morning, Friday, when we are in session, there will be a recorded vote, hopefully by 10:30 a.m., and we will then give the Members a report on what action, perhaps, has been agreed to beyond that.

I know Members from both sides of the aisle will be working on this. If progress is not made, then we will go forward with cloture. If something can be worked out—and I think it can; I hope it will be—then certainly we can take action to vitiate this cloture vote.

## MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to a period for morning business, with Members permitted to speak for up to 10 minutes each.

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

## TRIBUTE TO MISS RUBY MCGILVRAY BRYANT: AN UNSUNG AMERICAN HEROINE

Mr. LOTT. Mr. President, today Miss Ruby McGilvray Bryant of Jackson, Mississippi, was recognized by the Mitsubishi USA Foundation and PBS Television's ''To the Contrary'' as one of America's four Unsung Heroines.

''Miss Ruby,'' as she is lovingly called, has served her Mississippi community for the better part of three decades. She has been instrumental in creating a number of programs to help physically and mentally challenged children and adults.

It all started thirty years ago when Miss Ruby looked for a way to give disabled children and adults a camp experience similar to the one other campers were enjoying. Working with the Mississippi State Park system, she created a one-week summer camp program full of activities including a beauty pageant where everyone wins—everyone gets his or her moment in the spotlight. With the help of Dream Catchers, a volunteer organization serving the disabled, campers also get to experience the thrill of horseback riding. Miss Ruby even went the extra mile by helping to raise the money needed to send a number of children and adults to this special camp. However, her efforts did not stop there. She also organized a number of other activities throughout the year such as hayrides and banquets.

Miss Ruby also fostered the development of the ''the Mustard Seed,'' a local residential home in Brandon, Mississippi, for disabled persons to live when their parents have passed away. The Mustard Seed teaches ''life skills'' so the disabled can be what they want most, independent and productive individuals.

She was also the driving force behind ''Calvary Care,'' a program that provides all-day activities for the physically and mentally challenged in a safe and loving environment. Participants are taken on field trips to such places as the zoo or the museum. They also have an opportunity to share fun and fellowship, to experience the small things in life that many of us take for granted. This program also helps parents and other loved ones gain some much-needed time for themselves. ''Calvary Care'' attracts families from as far as 100 miles away because there is no similar program.

''Lady Talk,'' another of Miss Ruby's successful programs, is aimed at women who have little or no contact with the outside world. Many of its participants are former residents of mental institutions who have been long forgotten or abandoned by family members. Miss Ruby takes these women to a church facility for a day full of activities and social interaction. She makes sure that each woman is well fed and clothed and that each woman has someone to listen to their needs and problems.

As the director of the Sunday school special education program at Calvary Baptist Church since 1969, Miss Bryant has ensured that mentally and physically challenged individuals learn the Bible's teachings and play an active role in the ministry. Here, the children refer to her as ''Sweet Momma.''

Miss Ruby is an inspiration to us all. She teaches us that kindness, love, and patience are strong virtues. That self sacrifice is its own reward. That all of us, regardless of our abilities, are God's children and deserve respect and dignity. Most importantly, Miss Ruby is a shining example of how one person truly can make a positive difference in the life of so many others.

Miss Ruby is a heroine for Mississippi and heroine for America—for everything she has accomplished on behalf of the disabled and everything she will continue to do.

I ask my colleagues to join me in paying special tribute to Miss Ruby McGilvray Bryant for her thirty years of dedicated service to the physically and mentally challenged, and their families, and for being recognized as an Unsung American Heroine.

## APPRECIATION FOR THE SENATE SERVICE OF WILLIAM J. LACKEY

Mr. DASCHLE. Mr. President, the Senate recently bid farewell to a longtime employee, William J. Lackey, who retired from the position of Journal Clerk. Bill was a familiar presence on the Senate dais, faithfully and accurately recording the daily proceedings of the Senate.

In fact, the Constitution requires that ''each house of Congress shall keep a journal of its proceedings, and from time to time . . . publish the same.'' The Journal is the highest authority on actions taken by the Senate and can only be changed by a majority vote or by unanimous consent. Bill was responsible for recording the minutes of the Senate's legislative proceedings for publication as the annual Senate Journal. He always undertook this responsibility with great professional diligence and attention to detail.

In total, Bill gave 35 years of service to the Senate, more than 20 of those in the Office of the Journal Clerk. We all owe a debt of gratitude to Bill for his faithful and dedicated service, and wish him well in his retirement.

## THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, March 3, 1999, the federal debt stood at $5,653,396,336,274.78 (Five trillion, six hundred fifty-three billion, three hundred ninety-six million, three hundred thirty-six thousand, two hundred seventy-four dollars and seventy-eight cents).

One year ago, March 3, 1998, the federal debt stood at $5,528,587,000,000 (Five trillion, five hundred twenty-eight billion, five hundred eighty-seven million).

Five years ago, March 3, 1994, the federal debt stood at $4,546,225,000,000 (Four trillion, five hundred forty-six billion, two hundred twenty-five million).

Ten years ago, March 3, 1989, the federal debt stood at $2,745,475,000,000 (Two trillion, seven hundred forty-five billion, four hundred seventy-five million) which reflects a doubling of the debt—an increase of almost $3 trillion—$2,907,921,336,274.78 (Two trillion, nine hundred seven billion, nine hundred twenty-one million, three hundred thirty-six thousand, two hundred seventy-four dollars and seventy-eight cents) during the past 10 years.

## MESSAGES FROM THE HOUSE

At 1:59 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 603. An act to amend title 49, United States Code, to clarify the application of the act popularly known as the ''Death on the High Seas Act'' to aviation incidents.

H.R. 661. An act to direct the Secretary of Transportation to prohibit the commercial operation of supersonic transport category aircraft that do not comply with stage 3 noise levels if the European Union adopts certain aircraft noise regulations.

H.R. 707. An act to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a program for predisaster, to streamline the administration of disaster relief, to control the Federal costs of disaster assistance, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 40. Concurrent resolution honoring Morris King Udall, former United States Representative from Arizona, and extending the condolences of the Congress on his death.

The message further announced that pursuant to section 103 of Public Law 99–371 (20 U.S.C. 4303), the Speaker appoints the following Member of the House to the Board of Trustees of Gallaudet University: Mr. LAHOOD of Illinois.

The message also announced that pursuant to section 3 of Public Law 94–304, as amended by section 1 of Public Law 99–7, the Speaker appoints the following Member of the House to the Commission on Security and Cooperation in Europe: Mr. SMITH of New Jersey, Chairman.

The message further announced that pursuant to section 2(a) of the National Cultural Center Act (20 U.S.C. 76h(a)), the Speaker appoints the following Member of the House to the Board of Trustees of the John F. Kennedy Center for the Performing Arts: Mr. PORTER of Illinois.

The message also announced that pursuant to section 1505 of Public Law 99–498 (20 U.S.C. 4412), the Speaker appoints the following Member of the House to the Board of Trustees of the Institute of American Indian and Alaska Native Culture and Arts Development: Mr. YOUNG of Alaska.

## MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 603. An act to amend title 49, United States Code, to clarify the application of the act popularly known as the ''Death on the High Seas Act'' to aviation incidents; to the Committee on Commerce, Science, and Transportation.

H.R. 661. An act to direct the Secretary of Transportation to prohibit the commercial operation of supersonic transport category aircraft that do not comply with stage 3 noise levels if the European Union adopts certain aircraft noise regulations; to the Committee on Commerce, Science, and Transportation.

H.R. 707. An act to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a program for predisaster, to streamline the administration of disaster relief, to control the Federal costs of disaster assistance, and for other purposes; to the Committee on Environment and Public Works.

## 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–2012. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Pharmaceutical Manufacturing Category Effluent Limitations Guidelines, Pretreatment Standards, and New Source Performance Standards; Final Rule'' (FRL6304–8) received on February 25, 1999; to the Committee on Environment and Public Works.

EC–2013. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report under the Federal Vacancies Reform Act regarding the position of Special Trustee for American Indians; to the Committee on Indian Affairs.

EC–2014. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on a proposed Plan Amendment to allow the Department of Energy to acquire oil for the Strategic Petroleum Reserve received on February 11, 1999; to the Committee on Energy and Natural Resources.

EC–2015. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report under the Federal Vacancies Reform Act regarding the position of Director, Bureau of Land Management; to the Committee on Energy and Natural Resources.

EC–2016. A communication from the Secretary of Labor, transmitting, pursuant to law, a report under the Federal Vacancies Reform Act regarding the position of Assistant Secretary of Labor for Policy; to the Committee on Health, Education, Labor, and Pensions.

EC–2017. A communication from the Members of the Railroad Retirement Board, transmitting, a report entitled ''Congressional Justification of Budget Estimates for Fiscal Year 2000''; to the Committee on Health, Education, Labor, and Pensions.

EC–2018. A communication from the Office of the Marshal, Supreme Court of the United States, transmitting, pursuant to law, the Marshal's Annual report on the cost of the protective function provided by the Supreme Court Police to Justices, official guests and employees of the Supreme Court; to the Committee on the Judiciary.

EC–2019. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the report of a rule entitled ''Premerger Notification: Reporting and Waiting Period Requirements'' received on March 1, 1999; to the Committee on the Judiciary.

EC–2020. A communication from the Chief of the Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, notice of a cost comparison of the Base Operating Support Functions at Dobbins Air Reserve Base, Georgia; to the Committee on Armed Services.

EC–2021. A communication from the Under Secretary of Defense for Acquisition and Technology, transmitting, purusant to law, notice of a determination allowing the Department of Defense to procure articles containing para-aramid fibers and yarns manufactured in a foreign country; to the Committee on Armed Services.

EC–2022. A communication from the Secretary of Defense, transmitting, pursuant to law, the Department's report on the event-based decision making for the F–22 aircraft program for fiscal years 1999 and 2000; to the Committee on Armed Services.

EC–2023. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a Presidential Determination to allow for the use of funds from the U.S. Emergency Refugee and Migration Assistance Fund to meet urgent and unexpected needs of persons at risk due to the Kosova crisis; to the Committee on Foreign Relations.

EC–2024. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, a report on the President's determination regarding certification of the 28 major illicit narcotics producing and transit countries; to the Committee on Foreign Relations.

EC–2025. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, a report on the Department's annual report entitled ''International Narcotics Control Strategy Report'' for 1999; to the Committee on Foreign Relations.

EC–2026. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the Department's Management Report under the Inspector General Act for the period from April 1, 1998 through September 30, 1998; to the Committee on Governmental Affairs.

EC–2027. A communication from the Director of the Office of Administration, Executive Office of the President, transmitting, pursuant to law, the Integrity Act reports for each of the Executive Office of the President agencies, as required by the Federal Managers' Financial Integrity Act; to the Committee on Governmental Affairs.

EC–2028. A communication from the President of the James Madison Memorial Fellowship Foundation, transmitting, pursuant to law, the Foundation's consolidated annual report under the Inspector General Act and the Federal Managers' Financial Integrity Act for fiscal year 1998; to the Committee on Governmental Affairs.

EC–2029. A communication from the Executive Director of the Committee for Purchase From People Who are Blind or Severely Disabled, transmitting, pursuant to law, a list of additions to and deletions from the Committee's Procurement List dated February 24, 1999; to the Committee on Governmental Affairs.

EC–2030. A communication from the Director of the Office of Personnel Management, transmitting, a report entitled ''Poor Performers in Government: A Quest for the True Story''; to the Committee on Governmental Affairs.

EC–2031. A communication from the Administrator of the Federal Aviation Administration, transmitting, pursuant to law, the Administration's 1999 Aviation System Capital Investment Plan; to the Committee on Commerce, Science, and Transportation.

EC–2032. A communication from the Director of the National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Sturgeon Fishery; Moratorium in Exclusive Economic Zone'' (I.D. 111898B) received on February 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–2033. A communication from the Director of the National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the Services' report on the Apportionment of Regional Fishery Management Council Membership in 1998; to the Committee on Commerce, Science, and Transportation.

EC–2034. A communication from the Associate Managing Director for Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, the report entitled ''Private Land Mobile Radio Services'' (Docket 97–153) received on February 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–2035. A communication from the Secretary of Transportation, transmitting, revised performance goals and corporate management strategies for the Department's fiscal year 1999 Performance Plan; to the Committee on Commerce, Science, and Transportation.

EC–2036. A communication from the Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Trawling in Steller Sea Lion Critical Habitat in the Central Aleutian District of the Bering Sea and Aleutian Islands'' (I.D. 021299A) received on February 22, 1999; to the Committee on Commerce, Science, and Transportation.

EC–2037. A communication from the Chairman of the Surface Transportation Board, transmitting, pursuant to law, the report of a rule entitled ''Regulations for the Publication, Posting and filing of Tariffs for the Transportation of Property by or with a Water Carrier in the Noncontiguous Domestic Trade'' received on February 11, 1999; to the Committee on Commerce, Science, and Transportation.

EC–2038. A communication from the Chairman of the Surface Transportation Board, transmitting, pursuant to law, the report of a rule entitled ''Regulations Governing Fees for Services Performed in Connection With Licensing and Related Services—1999 Update'' received on February 17, 1999; to the Committee on Commerce, Science, and Transportation.

EC–2039. A communication from the Director of the National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Taking of Marine Mammals Incidental to Commercial Fishing Operations; Pacific Offshore Cetacean Take Reduction Plan Regulations; Technical Amendment'' (RIN0648–AI84) received on March 1, 1999; to the Committee on Commerce, Science, and Transportation.

EC–2040. A communication from the Assistant Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Revisions and Clarifications to the Export Administration Regulations; Commerce Control List'' (RIN0694–AB77) received on February 25, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2041. A communication from the Assistant to the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report of a rule entitled ''Risk-Based Capital Standards: Construction Loans on Presold Residential Properties; Junior Liens on 1- to 4-Family Residential Properties; and Investments in Mutual Funds. Leverage Capital Standards: Tier 1 Leverage Ratio'' (Docket R–0947) received on February 25, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2042. A communication from the Assistant to the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report of a rule entitled ''Risk-Based Capital Standards: Construction Loans on Presold Residential Properties; Junior Liens on 1- to 4-Family Residential Properties; and Investment in Mutual Funds'' (Docket R–0948) received on February 25, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2043. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the Board's Monetary Policy Report dated February 23, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2044. A communication from the Deputy Secretary of the Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Publication or Submission of Quotations Without Specified Information'' received on March 1, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2045. A communication from the Secretary of the Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Registration of Securities on Form S–8'' (RIN3235–AG94) received on March 1, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2046. A communication from the Deputy Secretary of the Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Revision of Rule 504 of Regulation D, the 'Seed Capital' Exemption'' (RIN3235–AH35) received on March 1, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2047. A communication from the Deputy Secretary of the Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Rule 701—Exempt Offerings Pursuant to Compensatory Arrangements'' (RIN3235–AH21) received on March 1, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2048. A communication from the Secretary of the Securities and Exchange Commission, transmitting, pursuant to law, a report entitled ''Frequently Asked Questions About the Statement of the Commission Regarding Disclosure of the Year 2000 Issues and Consequences to Public Companies''; to the Committee on Banking, Housing, and Urban Affairs.

EC–2049. A communication from the Secretary of the Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Exemption of the Securities of the Kingdom of Belgium under the Securities and Exchange Act of 1934 for Purposes of Trading Futures Contracts on Those Securities'' (RIN3235–AH46) received on March 1, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2050. A communication from the President and Chief Executive Officer of the Overseas Private Investment Corporation, transmitting, a draft of proposed legislation to extend the Corporation's operating authority to September 30, 2003; to the Committee on Foreign Relations.

## 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–19. A resolution adopted by the Board of Chosen Freeholders of the County of Monmouth, New Jersey, relative to Veterans' health care; to the Committee on Veterans' Affairs.

POM–20. A resolution adopted by the Texas and Southwestern Cattle Raisers Association relative to animal health; to the Committee on Finance.

POM–21. A resolution adopted by the Board of Selectmen, New Ashford, Massachusetts, relative to human rights in East Timor; to the Committee on Foreign Relations.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEVENS, from the Committee on Appropriations, without amendment:

S. 544. An original bill making emergency supplemental appropriations and rescissions for recovery from natural disasters, and foreign assistance, for the fiscal year ending September 30, 1999, and for other purposes (Rept. No. 106–8).

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 249. A bill to provide funding for the National Center for Missing and Exploited Children, to reauthorize the Runaway and Homeless Youth Act, and for other purposes.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROBERTS (for himself, Mr. KERREY, Mr. CRAIG, Mr. BURNS, Mr. HAGEL, Mr. DASCHLE, Mr. CONRAD, Mr. BAUCUS, Mr. GRASSLEY, Mr. JOHNSON, Mr. HARKIN, and Mr. DORGAN):

S. 529. A bill to amend the Federal Crop Insurance Act to improve crop insurance coverage, to make structural changes to the Federal Crop Insurance Corporation and the Risk Management Agency, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GORTON (for himself and Mr. SMITH of Oregon):

S. 530. A bill to amend the Act commonly known as the ''Export Apple and Pear Act'' to limit the applicability of that Act to apples; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ABRAHAM (for himself, Mr. SESSIONS, Mr. LEVIN, Mr. KENNEDY, and Mr. HARKIN):

S. 531. A bill to authorize the President to award a gold medal on behalf of the Congress to Rosa Parks in recognition of her contributions to the Nation; to the Committee on Banking, Housing, and Urban Affairs.

By Mrs. FEINSTEIN:

S. 532. A bill to provide increased funding for the Land and Water Conservation Fund and Urban Parks and Recreation Recovery Programs, to resume the funding of the State grants program of the Land and Water Conservation Fund, and to provide for the acquisition and development of conservation and recreation facilities and programs in urban areas, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ROBB (for himself and Mr. WARNER):

S. 533. A bill to amend the Solid Waste Disposal Act to authorize local governments and Governors to restrict receipt of out-of-State municipal solid waste, and for other purposes; to the Committee on Environment and Public Works.

By Mr. TORRICELLI:

S. 534. A bill to expand the powers of the Secretary of the Treasury to regulate the manufacture, distribution, and sale of firearms and ammunition, and to expand the jurisdiction of the Secretary to include firearm products and nonpowder firearms; to the Committee on the Judiciary.

By Mr. WARNER (for himself and Mr. ROBB):

S. 535. A bill to amend section 49106(c)(6) of title 49, United States Code, to remove a limitation on certain funding; to the Committee on Commerce, Science, and Transportation.

By Mr. WARNER:

S. 536. A bill entitled the ''Wendell H. Ford National Air Transportation System Improvement Act of 1999''; to the Committee on Commerce, Science, and Transportation.

By Mr. LUGAR:

S. 537. A bill to amend the Internal Revenue Code of 1986 to adjust the exemption

amounts used to calculate the individual alternative minimum tax for inflation since 1993; to the Committee on Finance.

By Mr. ASHCROFT:

S. 538. A bill to provide for violent and repeat juvenile offender accountability, and for other purposes; to the Committee on the Judiciary.

By Mr. BROWNBACK:

S. 539. A bill to amend the Internal Revenue Code of 1986 to increase the maximum taxable income for the 15 percent rate bracket, to replace the Consumer Price Index with the national average wage index for purposes of cost-of-living adjustments, to lessen the impact of the noncorporate alternative minimum tax, and for other purposes; to the Committee on Finance.

By Mr. JOHNSON (for himself, Mr. INHOFE, Mr. CONRAD, Mr. KERRY, Mr. DASCHLE, Mr. INOUYE, Mr. WELLSTONE, Mr. SARBANES, Mr. KERREY, Mr. KENNEDY, Mr. DORGAN, Mr. REID, Mr. BAUCUS, Mr. BRYAN, and Mrs. BOXER):

S. 540. A bill to amend the Internal Revenue Code of 1986 to provide that housing assistance provided under the Native American Housing Assistance and Self-Determination Act of 1996 be treated for purposes of the low-income housing credit in the same manner as comparable assistance; to the Committee on Finance.

By Ms. COLLINS (for herself, Mr. MURKOWSKI, and Mr. ROBERTS):

S. 541. A bill to amend title XVIII of the Social Security Act to make certain changes related to payments for graduate medical education under the medicare program; to the Committee on Finance.

By Mr. ABRAHAM (for himself, Mr. WYDEN, Mr. HATCH, Mr. KERREY, Mr. COVERDELL, Mr. DASCHLE, Mr. JEFFORDS, Mr. LIEBERMAN, Mr. ALLARD, Mr. GORTON, Mr. BURNS, and Mr. MCCONNELL):

S. 542. A bill to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and allow a tax credit for donated computers; to the Committee on Finance.

By Ms. SNOWE (for herself, Mr. FRIST, Mr. JEFFORDS, Mr. HAGEL, Ms. COLLINS, Mr. ENZI, and Mr. HUTCHINSON):

S. 543. A bill to prohibit discrimination on the basis of genetic information with respect to health insurance; to the Committee on Health, Education, Labor, and Pensions.

By Mr. STEVENS:

S. 544. An original bill making emergency supplemental appropriations and rescissions for recovery from natural disasters, and foreign assistance, for the fiscal year ending September 30, 1999, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. HOLLINGS (for himself and Mr. ROCKEFELLER) (by request):

S. 545. A bill to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 1999, 2000, 2001, 2002, 2003, and 2004, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DORGAN:

S. 546. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. MACK, Mr. LIEBERMAN, Mr. WARNER, Mr. MOYNIHAN, Mr. REID, Mr. JEFFORDS, Mr. WYDEN, Mr. BIDEN, Ms. COLLINS, Mr. BAUCUS, and Mr. VOINOVICH):

S. 547. A bill to authorize the President to enter into agreements to provide regulatory credit for voluntary early action to mitigate potential environmental impacts from greenhouse gas emissions; to the Committee on Environment and Public Works.

By Mr. DEWINE:

S. 548. A bill to establish the Fallen Timbers Battlefield and Fort Miamis National Historical Site in the State of Ohio; to the Committee on Energy and Natural Resources.

By Mr. MCCAIN:

S. 549. A bill to redesignate the Coronado National Forest in honor of Morris K. Udall, a former Member of the House of Representatives; to the Committee on Energy and Natural Resources.

By Mr. GORTON:

S. 550. A bill to provide for the collection of certain State taxes from an individual who is who is not a member of an Indian tribe; to the Committee on Indian Affairs.

By Mrs. FEINSTEIN:

S. 551. A bill to amend the Internal Revenue Code of 1986 to encourage school construction and rehabilitation through the creation of a new class of bond, and for other purposes; to the Committee on Finance.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GRAHAM (for himself, Mr. MACK, Mr. TORRICELLI, Mr. HELMS, Mr. DEWINE, Mr. ROBB, and Mr. SMITH of New Hampshire):

S. Res. 57. A resolution expressing the sense of the Senate regarding the human rights situation in Cuba; to the Committee on Foreign Relations.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 58. A resolution relating to the retirement of Barry J. Wolk; considered and agreed to.

By Mr. BROWNBACK (for himself, Mr. WELLSTONE, Mr. SMITH of Oregon, Mr. THOMAS, Mr. TORRICELLI, and Mr. GRAMS):

S. Con. Res. 14. A concurrent resolution congratulating the state of Qatar and its citizens for their commitment to democratic ideals and women's suffrage on the occasion of Qatar's historic elections of a central municipal council on March 8, 1999; to the Committee on Foreign Relations.

By Mr. MCCAIN (for himself, Mr. KENNEDY, Mr. KYL, Mr. FEINGOLD, Mr. HAGEL, Mr. LEAHY, Mr. SMITH of Oregon, Mr. LAUTENBERG, Mr. CAMPBELL, Mr. INOUYE, Ms. SNOWE, Mr. LEVIN, Mr. STEVENS, Mr. SARBANES, Mr. SPECTER, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DEWINE, Mr. KOHL, Mr. COCHRAN, Mr. BINGAMAN, Mr. ALLARD, Mrs. BOXER, Mr. BENNETT, Mr. KERREY, Mr. CRAIG, Mr. REID, Mr. WELLSTONE, Mr. MOYNIHAN, Mr. AKAKA, Mr. DASCHLE, Mr. KERRY, Mr. LIEBERMAN, Mr. BAUCUS, Mr. DURBIN, Mr. ROCKEFELLER, Mr. HARKIN, Mr. SCHUMER, Mrs. FEINSTEIN, Mr. WYDEN, Mr. BYRD, Mr. HOLLINGS, Mrs. MURRAY, Mr. TORRICELLI, and Mr. GRAMS):

S. Con. Res. 15. A concurrent resolution honoring Morris King Udall, former United States Representative from Arizona, and extending the condolences of the Congress on his death; considered and agreed to.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROBERTS (for himself, Mr. KERREY, Mr. CRAIG, Mr. BURNS, Mr. HAGEL, Mr. DASCHLE, Mr. CONRAD, and Mr. BAUCUS):

S. 529. A bill to amend the Federal Crop Insurance Act to improve crop insurance coverage, to make structural changes to the Federal Crop Insurance Corporation and the Risk Management Agency, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

CROP INSURANCE FOR THE 21ST CENTURY ACT

Mr. ROBERTS. Mr. President, I rise today, along with my colleague, Mr. KERREY of Nebraska, to introduce a bill that we call the Crop Insurance for the 21st Century Act. We believe this bill represents an important step in improving the Federal Crop Insurance Program, and in creating greater access to the risk management tools that our farmers and ranchers simply must have.

Senator KERREY and I, and many others who are privileged to represent the agriculture community, have long discussed the need to address reforms to the Crop Insurance Program. However, the necessary demands from the agriculture community and the Congress to successfully reform this program, in my personal opinion at least, did not reach a crescendo until last fall when we approved something called the omnibus appropriations bill, and that contained approximately $6 billion in disaster assistance for our farmers and ranchers.

I am sure, while Republicans and Democrats and individual agricultural groups were unable to agree on the necessary size and scope of the disaster package, one thing became abundantly clear to all involved—if we had a Crop Insurance Program that worked, without question, the situation would not have been so serious.

This has been a longstanding effort. I can remember well, back in 1978, when I was a staff member in the House of Representatives to my predecessor, that was when the Crop Insurance Program was first established. It has been 20 years, and we still have an obligation to reform the program and make sure that it works for all regions, all farmers, all commodities.

In response to the demands for the improved risk management tools, Senator KERREY and I committed to pursuing major crop insurance reforms in this Congress. To aid us in this task, last November we contacted all of the major farm organizations and all of the commodity groups, all of the crop insurance companies, all of the agricultural lending groups, and requested their guidance on these issues. We were listening. We wanted to find out their advice in regard to what do we need to pay attention to, what is the most serious issue that we need to address in the Crop Insurance Program. We received feedback from over 20 of these major organizations.

These comments we received served as a guidepost in developing this legislation. And, while the comments received were wide ranging, there was near consensus in several areas.

These included as follows: First, the need for increased levels of coverage at affordable prices to all producers. Second, we need expanded availability of revenue-based insurance products. Third, program changes to address the needs of producers suffering multiple crop failures. Fourth, structural changes to the Risk Management Agency—the acronym for that is RMA, and that is what I will call it from now on, but it is the Risk Management Agency—that will allow for increased access to new and improved crop insurance policies.

Senator KERRY and I took these comments to heart, and the legislation we are introducing today has been developed in large part by really trying to work to incorporate these comments into legislative language.

Our bill inverts this existing subsidy structure. Currently, many producers do not purchase the highest levels of coverage because the greatest level of Government assistance simply occurs at the lowest levels of coverage. This often makes the higher levels of coverage simply unaffordable. It causes many producers to have insufficient coverage, which eventually leads to calls for the ad hoc disaster bills that are so expensive. We cannot continue to pass a disaster package every year.

I tell the Presiding Officer, we were just discussing this in a previous meeting, it costs the Federal Government about $1.5 billion on average in regard to the disaster bills. They seem to occur on even numbered years. I think the Presiding Officer knows what I am talking about. We cannot afford that.

Therefore, under our legislation, the highest level of subsidy will occur at the 75/100 coverage levels. While the inversion of subsidies will be the most important change for many producers, we have included several changes that we believe will benefit America's farmers and ranchers. These include, first, the average production history—that is called APH in the crop insurance acronym world—APH adjustments for producers that have no production history because they are beginning farmers or they are farming new land or they are rotating crops.

Let me add, at this juncture, that is exceedingly important, because under the farm bill that how exists, farmers have a lot more flexibility, and when they move to a new crop, obviously, they ought to be able to simply insure that crop.

Second, mandating APH adjustments for producers suffering from crop losses in multiple years. Third, requiring the RMA to work to undertake a pilot project to develop new rating structures for undeserved areas of the country, and particularly the southern part of the United States, with the intention it will eventually become a permanent change in the program.

Here is a suggestion or a part of the bill that will be of interest to Senator THOMAS—removing the prohibition on coverages for livestock. I just indicated that we had a good visit this morning about this very subject. The livestock sector is going through a very difficult time in our country today. We need to address this problem with regard to insurance and how it would dovetail into the livestock industry and give our stockmen and our ranchers some protection.

In addition, the legislation provides for major changes in the structure of the RMA, the FCIC, that will allow for accelerated product approval and the development of improved crop insurance policies. Many people understand the Risk Management Agency serves as a regulator over the crop insurance industry. What many do not know is that this same outfit, the RMA, also serves as a developer for products that are then sold in direct competition with privately developed products. Thus, the RMA serves as a competitor with the industry it is supposed to regulate.

I am aware of no other private industry that faces these same hurdles. Senator KERREY and I believe it is time to change this culture that has often served as a roadblock to producer access to new and improved products. Our legislation will, first, change the structure of the FCIC board of directors to bring reinsurance and expertise in the agriculture economy to the board. Second, make the FCIC the overseer of the RMA. Third, allow the RMA to continue to develop policies for specialty crops and underserved areas.

Fourth, to create an Office of Private Sector Partnership to serve as a liaison between private sector companies and the FCIC board of directors. Fifth, to leave the final approval or disapproval of all policies in the hands of the board. And, finally, allow companies to charge a minimal fee on each policy when one company decides to sell another company's product. Hopefully, Mr. President, this will allow the companies to recover the research and development costs and will encourage the creation of new policies.

While these steps will not be the answer to solving all of the problems in the Crop Insurance Program, we believe they will be an important step. Each year our producers put the seed in the ground with great faith and optimism and believe that, with a little faith and a little luck and the good Lord willing and the creeks not rising, they will produce a crop. But the task is not easy. Between the multiple risks of drought and flood and fire and hail and blizzard and disease and insects and also a little market interference in regard to the Federal Government, it often seems the deck is stacked against them. If producers do survive these risks, they are often still at the mercy of weakened exports, and Asian flu or the global contagion, as we call it, caused by a global financial crisis and inadequate access to foreign markets.

I will be the first to admit that reforming this program cannot come without budgetary costs. At the same time, I can think of no other industry that faces the number of multiple risks that must be addressed on an annual basis by those in production agriculture.

Congress must not and cannot be forced to pass these ad hoc disaster bills every year. We must give our producers the risk management tools that they need. I believe this legislation is an important first step, and I ask our colleagues to join Senator KERREY and myself in this difficult but absolutely vital task.

I yield the remainder of my time to my good friend and colleague, the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I rise today to introduce with Senator ROBERTS the Crop Insurance for the 21st Century Act.

This bill will make crop insurance more affordable, more flexible, and more responsive to the changing needs of farmers.

That has been our goal from the start, when we asked for help from farmers in Nebraska, in Kansas, and from the many farm, commodity, banking and crop insurance interests that work with producers. They responded with a multitude of ideas, and those ideas form the basis for this bill.

The basic structure of the crop insurance program was set out in 1980, and much of that structure remains in place today.

Congress last reformed the crop insurance program in 1994, when we created new opportunities for private sector delivery of policies and risk sharing. And our success has been great—more than 181 million acres are enrolled in the program today, up almost 100 million acres since 1993.

But we are now seeing participation on the decline. That is cause for concern.

And last year, we discovered more cause for concern. Farmers in the northern plains who had been reliable buyers of crop insurance found that it was no longer offering much protection, after repeated years of weather-related disasters.

Other farmers across the country made the seemingly improbable decision not to buy a 100 percent subsidized catastrophic policy because they found it worthless—so worthless they wouldn't spend even $50 for the administrative fee. And they then chose not to purchase a buy-up policy, either.

And of greatest concern was the inevitable ad hoc disaster program, which Congress had theoretically eliminated in 1994. We spent an additional $6 billion on disaster aid last year in part to make up for these problems. And there are no substantive changes in the program to ward off another disaster bill this year.

We will spend at least $18 billion this fiscal year to support agriculture. And the crisis is only deepening.

Will this bill fix that crisis? No. Crop insurance does not and can not provide income. If you're getting a check from your insurance company—for your car, or your house, or your farm—you've lost money.

But the program today no longer provides even enough support to keep most farmers in business after a couple of loss years. How can it, when most of them have a 35 percent deductible? For a farm operation with $500,000 worth of production, that means the farmer absorbs the first $175,000 of loss.

Let me give you an example of how the economics of crop insurance work today. Doug Schmale of Lodgepole, NE, grows about 1,500 acres of wheat on his farm. He's a believer in crop insurance and buys it every year. And now he buys CRC, because he understands that covering revenue is an improvement over just covering yields.

Doug says the reason he only buys 65 percent coverage is because, ''That's where it makes the most sense, because that's where the government puts the money. But it's still not adequate.''

Doug is insuring 26 bushels of wheat per acre, which he admits is nowhere close to what he can live on. And since 1987 he's only collected on his insurance policy twice. And he pays about $8,000 a year to buy it, every year.

What Doug wants is to buy a 75 percent CRC policy. But if he does that today, his costs will more than double. He'll go from $4.72 an acre to $9.75. And that's not even an option when wheat is only worth $3.00.

Doug says that this bill will finally make coverage affordable for him. He'll get enough coverage—at a price he can afford—to stay in business if he has two bad years in a row.

There's been a lot of talk about ''safety nets'' over the past few years. And we all know that we wouldn't insure our houses with a 35 percent deductible. But the economics of agriculture say to farmers, ''Underinsure,'' especially now, when every dollar per acre makes an enormous difference.

Congress must help change that message. Our message to farmers must be, ''We want you to insure your farm operation for enough coverage that your policy has some value. We want you to be able to take into account crop rotation, new crops and new land. If you have an unbelievable run of bad luck with the weather, we want crop insurance to help you stay in business.

''And we will help you do it.''

Additionally, this bill recognizes that many farmers are trying new crops and in fact other government policies have encouraged them to do so. The crop insurance program offers little option but to underinsure or go without coverage. This bill would required changes in the program to take that into account.

And just as importantly, this bill takes a big step toward restructuring the agency that oversees the program. Unbelievably, the statute now makes the board of directors responsible for reporting to the government agency, instead of having the agency report to the Board. We'll put the board of directors at the top of the hierarchy where they belong.

By making changes in the administration of the program, we'll come closer to the flexible and responsive risk management program that farmers expect. That may be the most important thing we accomplish.

Senator ROBERTS and I have worked together on crop insurance in the past, and we are happy to take the lead again. And I reiterate: this is not the panacea to the financial crisis in rural America, but it is a worthwhile first step.

I look forward to a renewed spirit of bipartisanship on ag issues, and we are starting here today.

Mr. President, quite simply, this piece of legislation will make crop insurance more affordable, more flexible and more responsive to the changing needs of farmers. That has been our goal from the start, for farmers in Nebraska, farmers in Kansas and farmers throughout the country.

The basic structure of the Crop Insurance Program was set in place in 1980. Much of that structure remains in place today. The last time Congress changed the law was in 1994, and at that time we created new opportunities for private sector delivery of policies and risk sharing. It is a model, in my judgment, Mr. President, that has worked.

The taxpayers take half the risk; the private sector takes half the risk. They are the ones out selling the product and, as a consequence, there is far less taxpayer exposure than there would be otherwise. Senator ROBERTS just alluded to it. In fact, I think he did more than just allude to it. He said it directly.

The ad hoc disaster program we believed we were ending in 1994, when we passed the crop insurance bill, well, it came back last year with a vengeance for $6 billion. It is not a very efficient way of helping businesspeople, family-operated farms that suffer losses. It is a very inefficient way. Typically it costs us a great deal more money and typically it does not benefit the people who need it the most.

What crop insurance gives the farmer is a management tool that they can use to manage risk. It is not a replacement for other programs. It is not a replacement for income. It is a tool that they can use to manage the considerable risk of manufacturing a product outside.

In 1994, after we created the program, we met with considerable success. We had 181 million acres that were enrolled in the program—that is up from 100 million acres enrolled in 1993—but we are seeing participation rates decline. Last year we discovered more cause for concern when farmers in the northern plains who had been reliable buyers of crop insurance found that it was no longer offering much protection. They were unwilling to buy a 100-percent subsidized catastrophic policy because they found it was worthless. It is only 50 bucks, but they are telling us that it is worthless.

Other concerns were expressed by farmers, to both Senator ROBERTS and I, and many other Members of Congress, about how to make this Crop Insurance Program work. We have tried, with this piece of legislation, to do that, by inverting the subsidies, by equalizing the subsidies for revenue insurance, by allowing revenue insurance to be offered for price as well as for yields, by changing the APH for multiyear losses, as well as making changes for farmers that are coming on line for the first time, by allowing livestock to be covered for the first time, a permissive piece, and, most importantly for me, by restructuring the Risk Management Agency itself, making the Risk Management Agency director responsive to the board and bringing on a new private sector entity to evaluate reinsurance and evaluate what, indeed, the market itself wanted to do.

Mr. President, I would like to talk specifically about one individual, a man by the name of Doug Schmale from Lodgepole, NE. He grows about 1,500 acres of wheat on his farm. He likes crop insurance. He buys it every year and has bought it since 1987. He has collected but twice.

I talked to him about the details. Listen to his details. It is the same thing we are hearing from farmers throughout the country. He buys 65 percent coverage, he said, because ''that's where it makes the most sense, because that's where the Government puts the money. But it's not adequate.''

It doesn't provide him with the protection he needs. That means he will be insuring about 26 bushels an acre, which he admits is nowhere close to what he can produce, nowhere near the kind of losses he would expect if he were to suffer a loss on that crop.

What he would like to do is buy a 75 percent crop recovery policy. If he does that, the premiums are so high that, given the price of wheat, he cannot afford to buy it.

Again, Mr. President, we are not talking about throwing a bunch of money out here. We are talking about allowing these subsidies to change so the private sector can sell the product easier. I must emphasize this over and over, that what crop insurance represents for the taxpayer is a terrific way to put a product out there to manage risk, because the private sector assumes half the loss. The private sector will suffer a significant loss if there are losses. So they are not going to be out there underwriting policies for things that they consider to be too risky, because they are on the line for half the loss.

This piece of legislation represents a substantial step forward. We have pilot projects in there for beginning farmers.

We have pilot projects in there, as well, for many of our southern friends who are concerned that cotton, because it is a lower-cost product, has not been able to get good underwriting. We have tried to accommodate concerns for many other crops as well.

We believe that if we can get this legislation passed this year, it will be a giant step forward from what we had in 1994 and will continue us in the direction of saying that we are not going to have ad hoc disaster programs. We are going to allow the farmer himself to have a product that enables him to manage that risk and reduce the risk associated with a rather risky endeavor of production agriculture.

I don't know if the Senator from Kansas has anymore enlightened, humorous remarks to make. I wonder if the Senator from Kansas will agree that what we saw after we passed the law in 1994 was a substantial increase in the number of acres that are covered, and the program is working, but we have kind of hit a wall. We reformed it considerably. We are moving more toward the market, but we have hit a wall.

The market is basically saying, ''We have products that we can sell; our farmers will buy the products.'' But here are changes we need to make in this law and if you make these changes, we think you will find more acreage is underwritten, more satisfied customers and less need for ad hoc disaster, as a consequence.

Mr. ROBERTS. Mr. President, if I may respond to my distinguished friend, the whole goal of this is to provide the farmer and rancher with the risk management tools to enable that decisionmaking to be made by the individual producer as opposed to those of us in Washington who respond, as I indicated before, it seems like almost even numbered years to the plight of those who are experiencing disasters. We think this program or this reform will certainly represent a lot more consistencies.

Yes, it will cost money, but if you add up the average $1.5 billion that we have paid in disaster programs, not to mention the $6 billion emergency bill as of last year, of course that is reflective of the loss of export demand we have seen because of the economic problems all over the world. But I certainly agree with my colleague and my cosponsor.

Mr. President, I have several unanimous consent requests, I tell my colleague, if I may offer them at this point.

Mr. President, I ask unanimous consent that Senators CRAIG, BURNS, HAGEL, DASCHLE, CONRAD, and BAUCUS be added as original cosponsors on the bill just introduced by Senator KERREY and myself.

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

Mr. ROBERTS. Mr. President, I further ask unanimous consent that any Senator wishing to be added to this legislation as an original cosponsor be allowed to do so prior to the close of business today.

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

Mr. ROBERTS. I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I appreciate that growing list of cosponsors. I hope this is a piece of legislation which we can persuade our friends on the Budget Committee to make room for. It will save us money in the long term. It will save us and prevent us from spending multibillions of dollars a year on ad hoc disaster assistance in some kind of a supplemental appropriation. I hope very much that we are able to get some additional room.

I was disappointed we did not see it in the President's budget. He has a lot of new spending priorities. I think if we put this a bit ahead of some of the spending priorities, we ought to make room for it.

I promise my colleagues, if we do that, if we change the law in this way, you will find we will be saving money in the long term trying to make certain that family-based agriculture, one of the most important parts of our economy, still producing this year at least $20 billion worth of surplus in trade—it is going to be down a it in 1999, but it is still an enormously important part of our economy—I assure my colleagues if we get room in our budget to include the cost of this expansion of crop insurance that it will save us money in the long term.

Mr. CRAIG. Mr. President, I rise today to join my good friends and colleagues Senators ROBERTS and KERREY as a cosponsor of legislation being introduced today to reform the Federal agricultural crop insurance program. I am proud to stand with these leaders in purposing sweeping legislation to bring back some normalcy to our Nation's farm economy and expand the risk management tools available to our farm and ranch families.

The bill addresses several concerns farmers from my state and I have about the current crop insurance program. Specifically, I am pleased that the legislation includes provisions to establish an APH history adjustment for beginning farmers and multi-year disasters. In addition, removing the exclusion for livestock coverage is long overdue.

By cosponsoring this legislation today, I do not wish to imply that our search for meaningful crop insurance reform ideas has been completed. Just the contrary—I see this bill as a reasonable and appropriate first step toward our long-term goal of providing real risk management tools to our farmers and ranchers.

While I am pleased that the bill includes provisions that allow the Risk Management Agency to develop policies for ''speciality'' or ''minor'' crops and for crops in under-served areas, I look forward to working with my colleagues to develop even stronger and more beneficial risk management tools for these producers. Idaho's great agricultural economy is based on minor and nontraditional crops. We lead the nation in the production of such crops as potatoes, winter peas, and trout. Idaho is second in the production of seed peas, lentils, sugar beets, barley and mint. Furthermore, we are in the top five states in the production of hops, onions, plums, sweet cherries, alfalfa, and American cheese.

The needs of these producers are just as important as those of more traditional farm commodities. I want to assure my colleagues that I will continue to work for the resolution of this and other matters as our effort to reform Federal crop insurance progresses.

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By Mr. GORTON (for himself and Mr. SMITH of Oregon):

S. 530. A bill to amend the Act commonly known as the Expert Apple and Pear Act to limit the applicability of that act to apples; to the Committee on Banking, Housing, and Urban Affairs.

EXPERT APPLE AND PEAR ACT AMENDMENTS

Mr. GORTON. Mr. President, I rise today to introduce legislation amending the 1933 Export Apple and Pear Act to provide for the expansion of pear exports.

Currently, all apple and pear exporters must follow the guidelines set forth in the Act when negotiating overseas sales of these commodities. According to the Act, only high grade apples and pears are to be sold in foreign markets. Should an exporter decide to broker a deal with another country involving lower grade apple and pears, the U.S. Department of Agriculture must provide a waiver to farmers allowing them to do so.

While growers have prospered under the 1933 Export Apple and Pear Act, more and more countries have requested to purchase lower grade pears. The purpose of this legislation is to eliminate pears from the Export Apple and Pear Act allowing growers and exporters the ability to expand the market for low grade pears without having to approach USDA in each instance for a waiver.

There is no doubt that the Pacific Northwest fruit industry is facing a difficult year financially. I believe this bill provides one additional mechanism necessary for an economically strapped industry to access additional markets while still promoting a quality U.S. product.

Mr. SMITH of Oregon. Mr. President, I rise to comment on a bill I have introduced today that will provide Oregon pear producers the flexibility they need to meet the demands of their foreign customers.

With continued low commodity prices in nearly all sectors of American agriculture, and with financial uncertainty in many of our export markets, now is the time for the Congress to do

all it can to remove unnecessary hindrances to sales of farm products abroad. The legislation which I have introduced today with my colleague, the senior senator from the state of Washington, would delete references to pears in the Export Apple and Pear Act. Under the Export Apple and Pear Act, only pears meeting Federal high quality standards are allowed to be exported. Although this standard served the purposes of the pear industry when the Export Apple and Pear Act was originally enacted in 1933, it has increasingly become an obstacle to U.S. pear producers who desire to enter new markets through the export of lower grade pears. In recent years, pear producers have had to obtain special waivers from USDA in order to sell lower grade pears to the emerging markets of Russia and Latin America. With American agriculture increasingly a part of a larger, global economy, U.S. pear producers need the Congress to remove this antiquated regulatory hurdle to expanded pear exports.

Perhaps my colleagues noted that the companion bill to this legislation, H.R. 609, was adopted unanimously by the House of Representatives earlier this week. The swift passage of this legislation in the House is the result of the clear consensus of both the pear industry and the Department of Agriculture that the inclusion of pears in the Export Apple and Pear Act is no longer necessary.

Mr. President, from Hood River, in the shadow of Mount Hood, to the Rogue Valley, just north of California, the pear industry has long been a key part of the success of Oregon agriculture. With the regulatory relief provided by this bill, I believe that pear producers in Oregon and around the country will have the ability to continue to compete effectively overseas and prosper at home. I urge my colleagues to join Senator GORTON and myself in support of early adoption of this legislation.

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By Mr. ABRAHAM (for himself, Mr. SESSIONS, Mr. LEVIN, Mr. KENNEDY, and Mr. HARKIN):

S. 531. A bill to authorize the President to award a gold medal on behalf of the Congress to Rosa Parks in recognition of her contributions to the Nation; to the Committee on Banking, Housing, and Urban Affairs.

LEGISLATION TO AUTHORIZE THE PRESIDENT TO AWARD A GOLD MEDAL ON BEHALF OF THE CONGRESS TO ROSA PARKS.

Mr. ABRAHAM. Mr. President, I rise today along with Senators SESSIONS, LEVIN, KENNEDY and HARKIN to introduce an important piece of legislation that will honor one of the most important figures in the American civil rights movement, Rosa Parks.

Given her immense contributions to our Nation, we believe it is only fitting that she be honored with a Congressional Gold Medal.

For decades, Mr. President, African-Americans in this country, this birth place of freedom, were treated as second class citizens, or less.

Even after the moral enormity of slavery had finally been ended, African-Americans were subjected to discrimination, segregation and, if they resisted, prosecution and even lynching.

Rosa Parks set in motion the events that brought to an end the shameful history of Jim Crow.

Rosa Parks refused to obey the segregation laws in her home city of Montgomery, AL, and go to the back of the bus.

When confronted, she refused give up her seat on that bus to a white man, even when threatened with jail.

She was arrested, and the reaction would change the face of this Nation.

Over 40,000 people boycotted Montgomery buses for 381 days.

Faced with official condemnation and violence, these brave men and women maintained their unity until the bus segregation laws were finally changed.

Their actions brought about the 1956 Supreme Court decision declaring the Montgomery segregation law unconstitutional and spurred the civil rights movement to further action; action which produced the Civil Rights Act of 1964, breaking down the barriers of legal discrimination against African-Americans and establishing equality before the law as a reality for all Americans.

Rosa Parks set these historic events in motion.

She was the first woman to join the Montgomery chapter of the NAACP and served as an active volunteer for the Montgomery Voters League.

Because of her strength, perseverance and quiet dignity, all Americans have been freed from the moral stain of segregation.

And this mother of the civil rights movement continues to be active in the struggle for equality and the empowerment of the disenfranchised.

Ms. Parks has received many awards in recognition of her efforts for racial harmony, including the NAACP's highest honor for civil rights contributions, the Presidential Medal of Freedom, the Nation's highest civilian honor, and the first International Freedom Conductor Award from the National Underground Railroad Freedom Center.

Throughout her life, Rosa Parks has been an example of the power of conviction and quiet dignity in pursuit of justice and empowerment. Mr. President, I urge my colleagues to join us in supporting legislation to bestow upon her the Congressional Gold Medal she so well deserves.

Mr. President, I remember as a young student in grade school being told the story of the woman who said she would not move to the back of the bus. I did not know who that was by name. I just remember being so struck and touched by that story. I did not realize someday I would have the opportunity to meet that lady. She lives in my State of Michigan today. I have had a chance to get to know her a bit, but, more importantly, to work with her organizations there which do fine work for our communities and for our country.

So Mr. President, I am very proud to be here today to offer this Congressional Gold Medal proposal. I want to thank our cosponsors. We are very hopeful that others will join us so we can pass this proposal as soon as possible.

At this time, Mr. President, I yield the floor to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I want to say how much I appreciate the courtesies of Senator ABRAHAM and Senator LEVIN as we work through this effort to achieve this Gold Medal for Ms. Rosa Parks. I think it is a very fitting and appropriate thing that we do so.

So I rise today to recognize Ms. Parks, a native Alabamian, who through her life and example has touched both the heart and the conscience of an entire Nation. She is a native of Tuskegee, and a former resident of Montgomery, AL. Her dignity in the face of discrimination helped spark a movement to ensure that all citizens were treated equally under the law.

Equal treatment under the law is a fundamental pillar upon which our Republic rests. In fact, over the first 2 months of this year this Senate has discussed that very issue in some detail. As legislators, we should work to strengthen the appreciation for this fundamental governing principle and recognize those who have made extraordinary contributions toward ensuring that all American citizens have the same opportunities, regardless of their race, sex, creed, or national origin, to enjoy the freedoms this country has to offer.

Through her efforts, Ms. Parks has become a living embodiment of this principle. And it is entirely appropriate that this Congress takes the opportunity to acknowledge her contribution by authorizing the award of a Congressional Gold Medal to her. Her courage, what we in Alabama might call ''gumption'', at a critical juncture resulted in historic change.

Certainly, there is much still to be done. True equality, the total elimination of discrimination, and a real sense of ease and acceptance among the races has not been fully reached. But it is fair to say that in the history of this effort, the most dramatic and productive chapter was ignited by the lady we honor today.

Ms. Parks' story is well known, but it bears repeating. She was born on February 4, 1913, in the small town of Tuskegee AL to Mr. James and Leona McCauley. As a young child, she moved to Montgomery with her mother, who was a local schoolteacher. Like many Southern cities, the Montgomery of Ms. Parks' youth was a segregated city with numerous laws mandating the unequal treatment of people based on the

color of their skin. These laws were discriminatory in their intent, and divisive, unfair, and humiliating in their application, but for years Ms. Parks had suffered with them until the fateful day of December 1, 1955, when her pride and her dignity would allow her to obey them no more. On this day Ms. Parks, a 42-year-old seamstress, boarded a city bus after a long, hard day at work. Like other public accommodations, this bus contained separate sections for white and black passengers, with white passengers allocated the front rows, and black passengers given the back. This bus was particularly crowded that evening. At one of the stops, a white passenger boarded, and the bus driver, seeing Ms. Parks, requested that she give up her seat and move to the back of the bus, even though this meant that she would be forced to stand. Ms. Parks refused to give up her seat and was arrested for disobeying that order.

For this act of civic defiance, Ms. Parks set off a chain of events that have led some to refer to her as the ''Mother of the Civil Rights Movement.'' Her arrest led to the Montgomery bus boycott, and organized movement led by a young minister, then unknown, named Martin Luther King, Jr., who had been preaching at the historic Baptist church located on Montgomery's Dexter Avenue. The bus boycott lasted 382 days, and its impact directly led to the integration of the bus lines while the attention generated helped lift Dr. King to national prominence. Ultimately, the U.S. Supreme Court was asked to rule on the constitutionality of the Montgomery law which Ms. Parks had defied and the court struck it down.

This powerful image, that of a hard working American ordered to the back of the bus, simply because of her race, was a catalytic event. It was the spark that caused a nation to stop accepting things as they had been and focused everyone on the fundamental issue—whether we could continue as a segregated society. As a result of the movement Ms. Parks helped start, today's Montgomery is very different from the Montgomery of Ms. Parks' youth. Today, the citizens of Montgomery look with a great deal of historical pride upon the Dexter Avenue Baptist Church. Today's Montgomery is home to the Southern Poverty Law Center, an organization devoted to the cause of civil rights and also the Civil Rights Memorial, a striking monument of black granite and cascading water which memorializes the individuals who gave their lives in the pursuit of equal justice. Today's Montgomery is a city in which its history as the ''Capital of the Confederacy'' and its history as the ''Birthplace of the Civil Rights Movement'' are both recognized, understood and reconciled. But Montgomery is not alone in this development. Many American cities owe the same debt of gratitude to Ms. Parks that Montgomery does. In fact, Ms. Parks' contributions may extend beyond even the borders of our nation. In the book ''Bus Ride to Justice,'' Mr. Fred Gray, who gained fame while in his 20's as Ms. Parks' attorney in the bus desegregation case and as the lead attorney in many of Alabama's and the Nation's most important civil rights cases, wrote these words, and I don't think they are an exaggeration:

> Little did we know that we had set in motion a force that would ripple throughout Alabama, the South, the nation, and even the world. But from the vantage point of almost 40 years later, there is a direct correlation between what we started in Montgomery and what has subsequently happened in China, eastern Europe, South Africa, and even more recently, in Russia. While it is inaccurate to say that we all sat down and deliberately planned a movement that would echo and reverberate around the world, we did work around the clock, planning strategy and creating an atmosphere that gave strength, courage, faith and hope to people of all races, creeds, colors and religions around the world. And it all started on a bus in Montgomery, Alabama, with Rosa Parks on December 1, 1955.

For her courage and her conviction, and for her role in changing Alabama, the South, the nation and the world for the better, our Nation owes thanks to Ms. Parks. I hope that this body will extend its thanks and recognition to her by awarding her the Congressional Gold Medal.

Mr. LEVIN. Mr. President, Rosa Parks is truly one of this Nation's greatest heroes. Her personal bravery and self-sacrifice have shaped our Nation's history and are remembered with respect and with reverence by us all.

Forty three years ago—December 1995—in Montgomery, Alabama the modern civil rights movement began. Rosa Parks refused to give up her seat and move to the back of the bus. The strength and spirit of this courageous woman captured the consciousness of not only the American people but the entire world.

My home state of Michigan proudly claims Rosa Parks as one of our own. Rosa Parks and her husband made the journey to Michigan in 1957. Unceasing threats on their lives and persistent harassment by phone prompted the move to Detroit where Rosa Park's brother resided.

Rosa Park's arrest for violating the city's segregation laws was the catalyst for the Montgomery bus boycott. Her stand on that December day in 1955 was not an isolated incident but part of a lifetime of struggle for equality and justice. For instance, twelve years earlier, in 1943, Rosa Parks had been arrested for violating another one of the city's bus related segregation laws, which required African Americans to pay their fares at the front of the bus then get off of the bus and re-board from the bus at the rear. The driver of that bus was the same driver with whom Rosa Parks would have her confrontation 12 years later.

The rest is history—the boycott which Rosa Parks began was the beginning of an American revolution that elevated the status of African Americans nationwide and introduced to the world a young leader who would one day have a national holiday declared in his honor, the Reverend Martin Luther King Jr.

The Congressional Gold Medal is a fitting tribute to Rosa Parks—the gentle warrior who decided that she would no longer tolerate the humiliation and demoralization of racial segregation on a bus.

We have come a long way towards achieving Dr. King's dream of justice and equality for all. But we still have much work to do. Let us rededicate ourselves to continuing the struggle on Civil Rights, and to human rights in Rosa Parks name.

Mr. President, I ask unanimous consent that a brief biography of the life and times and movement which was sparked by Rosa Parks, the mother of the civil rights movement, and excerpted from USL Biographies, be printed in the RECORD.

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

ROSA PARKS—AMERICAN SOCIAL ACTIVIST

''I felt just resigned to give what I could to protect against the way I was being treated.''

INTRODUCTION

On December 1, 1955, Rosa Parks refused to give up her seat on a bus to a white man who wanted it. By this simple act, which today would seem unremarkable, she set in motion the civil rights movement, which led to the Civil Rights Act of 1964 and ultimately ensured that today all black Americans must be given equal treatment with whites under the law.

Parks did not know that she was making history nor did she intend to do so. She simply knew that she was tired after a long day's work and did not want to move. Because of her fatigue and because she was so determined, America was changed forever. Segregation was on its way out.

GROWING UP IN A SEGREGATED SOCIETY

In the first half of this century, Montgomery, Alabama, was totally segregated, like so many other cities in the South. In this atmosphere Parks and her brother grew up. They had been brought to Montgomery by their mother, Leona (Edwards) McCauley, when she and their father separated in 1915. Their father, James McCauley, went away north and they seldom saw him, but they were made welcome by their mother's family and passed their childhood among cousins, uncles, aunts, grandparents, and great-grandparents.

Parks's mother was a schoolteacher, and Parks was taught by her until the age of eleven, when she went to Montgomery Industrial School for Girls. It was, of course, an all-black school, as was Booker T. Washington High School, which she attended briefly. Virtually everything in Montgomery was for ''blacks only'' or ''whites only,'' and Parks became used to obeying the segregation laws, though she found them humiliating.

When Parks was twenty, she married Raymond Parks, a barber, and moved out of her mother's home. Parks took in sewing and worked at various jobs over the years. She also became an active member of the National Association for the Advancement of Colored People (NAACP), working as secretary of the Montgomery chapter.

SILENT PROTESTS

In 1955 Parks was forty-two years old, and she had taken to protesting segregation in her own quiet way—for instance, by walking up the stairs of a building rather than riding in an elevator marked ''blacks only.'' She was well respected in the black community for her work with the Montgomery Voters League as well as the NAACP. The Voters League was a group that helped black citizens pass the various tests that had been set up to make it difficult for them to register as voters.

As well as avoiding black-only elevators, Parks often avoided traveling by bus, preferring to walk home from work when she was not too tired to do so. The buses were a constant irritation to all black passengers. The front four rows were reserved for whites (and remained empty even when there were not enough white passengers to fill them). The back section, which was always very crowded, was for black passengers. In between were some rows that were really part of the black section, but served as an overflow area for white passengers. If the white section was full, black passengers in the middle section had to vacate their seats—a whole row had to be vacated, even if only one white passenger required a seat.

THE ARREST OF ROSA PARKS

This is what happened on the evening of December 1, 1955: Parks took the bus because she was feeling particularly tired after a long day in the department store where she worked as a seamstress. She was sitting in the middle section, glad to be off her feet at last, when a white man boarded the bus and demanded that her row be cleared because the white section was full. The others in the row obediently moved to the back of the bus, but Parks just didn't feel like standing for the rest of the journey, and she quietly refused to move.

At this, the white bus driver threatened to call the police unless Parks gave up her seat, but she calmly replied ''Go ahead and call them.'' By the time the police arrived, the driver was very angry, and when asked whether he wanted Parks to be arrested or let off with a warning, he insisted on arrest. So this respectable middle-aged woman was taken to the police station, where she was fingerprinted and jailed. She was allowed to make one phone call. She called an NAACP lawyer, who arranged for her to be released on bail.

THE BUS BOYCOTT

Word of Parks' arrest spread quickly, and the Women's Political Council decided to protest her treatment by organizing a boycott of the buses. The boycott was set for December 5, the day of Parks' trial, but Martin Luther King, Jr., and other prominent members of Montgomery's black community realized that here was a chance to take a firm stand on segregation. As a result, the Montgomery Improvement Association was formed to organize an boycott that would continue until the bus segregation laws were changed. Leaflets were distributed telling people not to ride the buses, and other forms of transport were relied on.

The boycott lasted 382 days, causing the bus company to lose a vast amount of money. Meanwhile, Parks was fined for failing to obey a city ordinance, but on the advice of her lawyers she refused to pay the fine so that they could challenge the segregation law in court. The following year, the U.S. Supreme Court ruled the Montgomery segregation law illegal, and the boycott was at last called off. Yet Parks had started far more than a bus boycott. Other cities followed Montgomery's example and were protesting their segregation laws. The civil rights movement was underway.

MOTHER OF THE CIVIL RIGHTS MOVEMENT

Parks has been hailed as ''the mother of the civil rights movement,'' but this was not an easy role for her. Threats and constant phone calls she received during the boycott caused her husband to have a nervous breakdown, and in 1957 they moved to Detroit, where Parks' brother, Sylvester, lived. There Parks continued her work as a seamstress, but she had become a public figure and was often sought out to give talks about civil rights.

Over the years, Parks has received several honorary degrees, and in 1965 Congressman John Conyers of Detroit appointed her to his staff. Parks' husband died in 1977 and she retired in 1988, but she has continued to work for the betterment of the black community. She is particularly eager to help the young, and in 1987 she established the Rosa and Raymond Parks Institute for Self-Development, a training school for Detroit teenagers.

Each year sees more honors showered upon her. In 1990, some three thousand people attended the Kennedy Center in Washington, D.C., to celebrate the seventy-seventh birthday of the indomitable campaigner and former seamstress, Rosa Parks.

Mr. LEVIN. I thank the Chair and I thank our colleagues from Michigan and Alabama.

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By Mrs. FEINSTEIN:

S. 532. A bill to provide increased funding for the Land and Water Conservation Fund and Urban Parks and Recreation Recovery Programs, to resume the funding of the State grants program of the Land and Water Conservation Fund, and to provide for the acquisition and development of conservation and recreation facilities and programs in urban areas, and for other purposes; to the Committee on Energy and Natural Resources.

PUBLIC LANDS AND RECREATION INVESTMENT ACT OF 1999

Mrs. FEINSTEIN. Mr. President, today I am introducing the Public Lands and Recreation Investment Act of 1999. This bill will provide funding for two of our nation's most important conservation and recreation programs—the Land and Water Conservation Fund and the Urban Parks and Recreation Recovery Act—that have been woefully underfunded in recent years.

Every year, the Federal government collects about $4 billion from oil and gas leases on the Outer Continental Shelf. These leases have detrimental impacts on our environment, so it is fitting that in 1965 Congress created the Land and Water Conservation Fund. This fund is authorized to use $900 million annually in Outer Continental Shelf lease payments to purchase park and recreation lands in or near our national parks, wildlife refuges, national forests, and other public lands. The fund also is supposed to provide grants to states, so that state and local governments may purchase parklands and recreation facilities.

Acquisition of these lands protects some of our nation's most crucial natural resources, including key watersheds that provide drinking water to millions of Americans, and vital wildlife habitat for endangered species. Public lands also provide recreation opportunities for millions of Americans, and open spaces in increasingly crowded urban areas. Over the years, the Land and Water Conservation Fund has protected lands in all 50 States, including such special places as Yellowstone National Park, the Everglades, and the California Desert.

Unfortunately, the Land and Water Conservation Fund's tremendous promise has not yet been fulfilled. Last year Congress and the President provided only $328 million of the $900 million collected by the Land and Water Conservation Fund for land acquisition. The rest went back into the Treasury, for deficit reduction or spending on other programs. The Land and Water Conservation Fund has collected over $21 billion since its creation in 1965, but only $9 billion has been spent. Unappropriated balances in the fund now total $13 billion, and they are growing every year.

In the meantime, a huge backlog has developed in the federal acquisition of environmentally sensitive land. The U.S. Department of Interior estimates that the cost of acquiring inholdings in national parks, wildlife refuges, national forests, and other public lands now totals over $10 billion. In addition, the federal government receives about $600 million in Land and Water Conservation Fund requests each year.

The funding shortfall has been particularly difficult for State and local governments. For the last several years, Congress has provided no funding for the stateside grants portion of the Land and Water Conservation Fund, or to The Urban Parks and Recreation Recovery Act, a separate program that provides for rehabilitation of recreation facilities and improved recreation programs in our nation's cities.

Last month President Clinton proposed the Lands Legacy Initiative, which would provide $1 billion from the Land and Water Conservation Fund in fiscal year 2000. The President's initiative would expand our nation's public lands, provide grants to states for land acquisition, promote open space and ''smart growth,'' improve wildlife habitat, and protect farmland from development. The Lands Legacy Initiative is a good first step, but our commitment to public lands should not be a one-year deal.

Therefore, I am pleased that other Senators have introduced bills that would provide permanent funding for the Land and Water Conservation Fund and the Urban Parks and Recreation Recovery Act, as well as a number of other programs. I support Senator BOXER's bill, the Permanent Protection for America's Resources Act, and I look forward to working with her and with all Senators interested in public lands, coastal restoration, and wildlife protection.

If Senator BOXER's bill does not move, however, the bill that I am introducing today is a moderate alternative that I believe will enjoy broad

bipartisan support. The bill is important for three reasons. First, it focuses exclusively on guaranteed annual funding for the Land and Water Conservation Fund and Urban Parks and Recreation Recovery Program. I want to ensure that the Land and Water Conservation Fund remains a top priority for Congress regardless of other important environmental programs that are funded. We cannot lose sight of how important the Land and Water Conservation Fund is to America's conservation and recreation efforts.

Second, the bill makes no changes to the Land and Water Conservation Fund that impede the federal government's ability to acquire land. Two bills currently pending in Congress would restrict federal land purchases to inholdings within existing parks only, and require prior Congressional authorization even for small acquisitions that have traditionally been approved through the appropriations process. These bills also require that two-thirds of the federal funding be spent east of the 100th meridian.

Under these terms, projects such as the Headwaters acquisition, where the federal government and State of California bought the largest ancient redwood stand in private hands, would have been impossible. I believe strongly that the primary purpose of the Land and Water Conservation Fund—to enable the federal government to permanently protect our nation's most special places—must be preserved and strengthened, not eroded.

Finally, this bill revives the state grants portion of the Land and Water Conservation Fund, which has funded over 37,000 state parks projects over the last three decades, as well as the Urban Parks and Recreation Recovery Program. These programs have worked well for decades, and I would like to restore funding for them while preserving broad latitude for states and local governments to determine their own conservation and recreation priorities. The bill does not establish competitive grants under the state program.

Specifically, the bill amends the Land and Water Conservation Fund Act to say that $900 million will be automatically appropriated each year for the Land and Water Conservation Fund and the Urban Parks and Recreation Recovery Program. The bill also provides that 40 percent of the funds provided under this act must be spent on stateside grants. This will revive the moribund State grants program and ensure that states get their fair share of parks and recreation dollars. States will be required to ''pass through'' 50 percent of the grants they receive directly to local governments.

In addition, the bill provides that 10 percent of the funds provided under this act be allocated to the Urban Parks and Recreation Recovery program. This will ensure that recreation facilities and open space remain top priorities where they are urgently needed—increasingly crowded cities. The Urban Parks and Recreation Recovery Act will be amended to allow funds to be spent for construction of recreation facilities, and acquisition of park lands in urban areas.

The bill also requires the President to submit an annual priority list to Congress for expenditure of funds provided to federal agencies under this act. The bill specifically provides for Congressional approval of this priority list, so that Congress will retain authority to decide how Land and Water Conservation Fund dollars are spent on federal lands.

The bill changes requirements for the Land and Water Conservation Fund's stateside grants program, including a new requirement for States to develop, with public input, action agendas that identify their top conservation and recreation acquisition needs. Finally, the bill provides that Indian tribes will be recognized collectively as one state under the state grants program.

The Public Land and Recreation Investment Act will have a major and immediate impact on conservation and recreation nationwide. In my home state, increased funding for the Land and Water Conservation Fund could allow for the purchase of 483,000 acres of inholdings in national parks and wilderness areas in the California Desert, dramatically improving recreation opportunities in three of our nation's newest national parks. It could permanently protect sensitive watersheds at Lake Tahoe and help preserve the Lake's astounding water quality. And it could restore wetlands in San Francisco Bay, which has lost over 80 percent of its wetlands in the last 100 years.

Nationally, funding for the Land and Water Conservation Fund will help to preserve special places like Cape Cod National Seashore and the Kodiak National Wildlife Refuge, whose land acquisition needs have gone unmet in recent years.

Reviving the Urban Parks and Recreation Recovery Act will help cities across our nation improve parks and recreation opportunities for their residents. In the past, the Urban Parks and Recreation Recovery Act has funded summer recreation, anti-drug counseling, and job training for teenagers in low income neighborhoods in Fresno. The City of Milwaukee instituted a ''Park Watch'' program to help neighborhoods combat vandalism and crime in city parks. And in Tuscon, Arizona, the UPARR program funded a health and physical fitness program for children, senior citizens, and disabled youth.

This bill is strongly supported by groups that seek to protect conservation and recreation resources for all Americans.

Mr. President, I will submit for the RECORD at the end of my statement, letters from the Sierra Club, the Wilderness Society, and Defenders of Wildlife, who strongly support the Public Land and Recreation Investment Act of 1999.

Mr. President, the bottom line is that for too long, we have diverted monies intended for conservation and recreation to other purposes. This bill will help to correct that imbalance, and ensure a lasting legacy for our children and grandchildren. Whether they hike through a pristine wilderness, climb on an urban jungle gym, or picnic in a greenbelt outside their hometown, they will have the Land and Water Conservation Fund and the Urban Parks and Recreation Recovery Act to thank. That is something I believe we can all be proud of.

Mr. President, I ask unanimous consent that the text of the bill and letters of support be printed in the RECORD.

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

S. 532

*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 ''Public Land and Recreation Investment Act of 1999''.

**SEC. 2. FINDINGS.**

Congress finds that—

(1) the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.) has been critical in acquiring land to protect America's national parks, forests, wildlife refuges, and public land in all 50 States from potential development and in improving recreational opportunities for all Americans;

(2) the Land and Water Conservation Fund has helped to preserve nearly 7,000,000 acres of America's most special places, from the California Desert to the Everglades, in part by providing grants that have helped States purchase over 2,000,000 acres of parkland and open space;

(3) although amounts in the Land and Water Conservation Fund are meant to be used only for conservation and recreation purposes, since 1980 Congress and the President have diverted much of this vital funding for deficit reduction and other budgetary purposes;

(4) because of chronic shortages in funding for the Land and Water Conservation Fund, the backlog of Federal acquisition needs now totals over $10,000,000,000; the backlog includes key wetlands, watersheds, wilderness, and wildlife habitat and important historic, cultural, and recreational sites;

(5) the findings of the 1995 National Biological Service study entitled ''Endangered Ecosystems of the United States: A Preliminary Assessment of Loss and Degradation'' demonstrate the need to escalate conservation measures that protect the Nation's wildlands and wildlife habitats;

(6) lack of funding for the State grants portion of the Land and Water Conservation Fund has hampered State and local efforts to protect parklands, coastlines, habitat areas, and open space from development;

(7) recreation needs in America's cities have been neglected, in part because the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2501 et seq.) has not been funded since 1995;

(8) at the same time that Federal investment in conservation and recreation has shrunk, demand for outdoor recreation has skyrocketed: visits to our public lands have increased dramatically in recent years, and the national survey on recreation and the environment conducted by the Forest Service indicates substantial growth in most outdoor activities; and

(9) increased investment in conservation and recreation is essential to maintaining America's environmental quality and high quality of life.

**SEC. 3. PURPOSES.**

The purposes of this Act are—

(1) to ensure that funding is available without further Act of appropriation to the Land and Water Conservation Fund and the Urban Park and Recreation Recovery Program;

(2) to protect the Nation's parklands, wildlife habitat, and recreational resources;

(3) to revive the State grants portion of the Land and Water Conservation Fund; and

(4) to ensure that local governments and Indian tribes receive a fair share of proceeds from the Land and Water Conservation Fund.

**SEC. 4. LAND AND WATER CONSERVATION FUND.**

(a) APPROPRIATIONS.—Section 3 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–6) is amended—

(1) by striking ''SEC. 3. APPROPRIATIONS.—Moneys'' and inserting the following:

**''SEC. 3. APPROPRIATIONS.**

''(a) IN GENERAL.—Moneys'';

(2) by striking the third sentence; and

(3) by adding at the end the following:

''(b) PERMANENT APPROPRIATION.—There is appropriated out of the fund to carry out this Act $900,000,000 for each fiscal year, to remain available until expended.''.

(b) ALLOCATION OF FUND.—Section 5 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–7) is amended—

(1) by striking the first, second, and third sentences and inserting the following:

''(a) IN GENERAL.—Of amounts annually available to carry out this Act for any fiscal year—

''(1) 40 percent shall be allocated for financial assistance to States under section 6, of which not less than 50 percent shall be directed to local governments to provide natural areas, open space, parkland, wildlife habitat, and recreation areas;

''(2) 50 percent shall be allocated for Federal purposes under section 7; and

''(3) 10 percent shall be allocated for grants to local governments under the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2501 et seq.).''; and

(2) by striking ''There shall be'' and inserting the following:

''(b) SPECIAL ACCOUNT.—There shall be''.

(c) FINANCIAL ASSISTANCE TO STATES.—

(1) IN GENERAL.—Section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8) is amended—

(A) in subsection (b)—

(i) in paragraph (1), by striking ''forty per centum'' and all that follows through ''twenty per centum'' and inserting ''30 percent of the first $225,000,000 and 20 percent''; and

(ii) by adding at the end the following:

''(6) INDIAN TRIBES.—

''(A) DEFINITION.—In this paragraph, the term 'Indian tribe' means an Indian or Alaska Native tribe, band, nation, pueblo, village, or community that the Secretary of the Interior recognizes as an Indian tribe under section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a–1).

''(B) APPORTIONMENT.—For the purposes of paragraph (1), the Indian tribes—

''(i) shall be treated collectively as 1 State; and

''(ii) shall receive shares of their collective apportionment under that paragraph in amounts to be determined by the Secretary of the Interior.

''(C) OTHER TREATMENT.—For all other purposes of this title, each Indian tribe shall be treated as a State, except that—

''(i) an Indian tribe shall not be required to direct 50 percent of the financial assistance provided under this Act to local governments; and

''(ii) an Indian tribe may use financial assistance provided under this Act only if the Indian tribe provides assurances, subject to the approval of the Secretary, that the Indian tribe will maintain conservation and recreation opportunities to the public at large in perpetuity on land and facilities funded under this Act.

''(D) LIMITATION.—For any fiscal year, no single Indian tribe shall receive more than 10 percent of the total amount made available under paragraph (1) to all Indian tribes, collectively.'';

(B) by striking subsection (d) and inserting the following:

''(d) STATE ACTION AGENDAS.—

''(1) IN GENERAL.—To qualify for financial assistance under this section, a State, in consultation with local subdivisions, nonprofit and other private organizations, and interested citizens, shall prepare and submit to the Secretary a State action agenda for recreation, open space, and conservation that identifies the State's recreation, open space, and conservation needs and priorities.

''(2) REQUIREMENTS.—A State action agenda—

''(A) shall take into account long-term recreation, open space, and conservation needs (including preservation of habitat for threatened and endangered species and other species of conservation concern) but focus on actions that can be funded over a 4-year period;

''(B) shall be updated every 4 years and approved by the Governor;

''(C) shall be considered in an active public involvement process that includes public hearings around the State;

''(D) shall take into account activities and priorities of managers of conservation land, open space, and recreation land in the State, including Federal, regional, local, and nonprofit agencies; and

''(E) to the extent practicable, shall be coordinated with other State, regional, and local plans for parks, recreation, open space, and wetland conservation.

''(3) USE OF RECOVERY ACTION PLANS.—A State shall use recovery action plans developed by local governments under section 1007 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2506) as a guide in formulating the conclusions and action items contained in the State action agenda.''; and

(C) by striking subsection (f)(3) and inserting the following:

''(3) CONVERSION OF USE OF PROPERTY.—

''(A) IN GENERAL.—No property acquired or developed with assistance under this section may be converted to a use other than use for recreation, open space, or conservation without the approval of the Secretary.

''(B) APPROVAL.—

''(i) IN GENERAL.—The Secretary may approve a conversion of use of property under subparagraph (A) if the State demonstrates that—

''(I) no prudent or feasible alternative to conversion of the use of the property exists;

''(II) because of changes in demographics, the property is no longer viable for use for recreation, open space, or conservation; or

''(III) the property must be abandoned because of environmental contamination that endangers public health or safety.

''(ii) SUBSTITUTION OF OTHER PROPERTY.—

''(I) IN GENERAL.—Conversion of the use of property shall satisfy any condition that the Secretary considers necessary to ensure that—

''(aa) the substituted property is property in the State that is of at least equal market value and reasonably equivalent usefulness and location; and

''(bb) the use of the substituted property for recreation, open space, or conservation is consistent with the State action agenda.

''(II) WETLAND AREAS.—A wetland area or interest in a wetland area (as identified in the wetland provisions of the State action agenda) that is proposed to be acquired as a suitable substitute property and that is otherwise acceptable to the Secretary shall be considered to be of reasonably equivalent usefulness to the property proposed for conversion.''.

(2) TRANSITION PROVISION.—Any comprehensive statewide outdoor recreation plan developed by a State under section 6(d) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8(d)) before the date that is 5 years after the date of enactment of this Act shall remain in effect in the State until a State action agenda has been adopted in accordance with the amendment made by paragraph (1), but not later than 5 years after the date of enactment of this Act.

(3) CONFORMING AMENDMENTS.—

(A) Section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8(e)) is amended—

(i) in subsection (e)—

(I) in the matter preceding paragraph (1), by striking ''State comprehensive plan'' and inserting ''State action agenda''; and

(II) in paragraph (1), by striking '', or wetland areas and interests therein as identified in the wetlands provisions of the comprehensive plan''; and

(ii) in subsection (f)(3)—

(I) in the second sentence, by striking ''then existing comprehensive statewide outdoor recreation plan'' and inserting ''State action agenda''; and

(II) by striking '': *Provided,*'' and all that follows.

(B) Section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(e)) is amended in the last proviso of the first paragraph by striking ''existing comprehensive statewide outdoor recreation plan found adequate for purposes of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897)'' and inserting ''State action agenda required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''.

(C) Section 102(a)(2) of the National Historic Preservation Act (16 U.S.C. 470b(a)(2)) is amended by striking ''comprehensive statewide outdoor recreation plan prepared pursuant to the Land and Water Conservation Fund Act of 1965 (78 Stat. 897)'' and inserting ''State action agenda required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''.

(D) Section 8(a) of the National Trails System Act (16 U.S.C. 1247(a)) is amended in the first sentence—

(i) by striking ''comprehensive statewide outdoor recreation plans'' and inserting ''State action agendas''; and

(ii) by inserting ''of 1965 (16 U.S.C. 460*l*–4 et seq.)'' after ''Fund Act''.

(E) Section 11(a)(2) of the National Trails System Act (16 U.S.C. 1250(a)(2)) is amended by striking ''(relating to the development of Statewide Comprehensive Outdoor Recreation Plans)'' and inserting ''(16 U.S.C. 460*l*–8) (relating to the development of State action agendas''.

(F) Section 11 of the Wild and Scenic Rivers Act (16 U.S.C. 1282) is amended—

(i) in subsection (a)—

(I) by striking ''comprehensive statewide outdoor recreation plans'' and inserting ''State action agendas''; and

(II) by striking ''(78 Stat. 897)'' and inserting ''(16 U.S.C. 460*l*–4 et seq.)''; and

(ii) in subsection (b)(2)(B), by striking ''(relating to the development of statewide comprehensive outdoor recreation plans)'' and inserting ''(16 U.S.C. 460*l*–8) (relating to the development of State action agendas''.

(G) Section 1008 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C.

2507) is amended in the last sentence by striking ''statewide comprehensive outdoor recreation plans'' and inserting ''State action agendas required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''.

(H) Section 206(d) of title 23, United States Code, is amended—

(i) in paragraph (1)(B), by striking ''statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–4 et seq.)'' and inserting ''State action agenda required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''; and

(ii) in paragraph (2)(D)(ii), by striking ''statewide comprehensive outdoor recreation plan that is required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–4 et seq.)'' and inserting ''State action agenda that is required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''.

(I) Section 202(c)(9) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712(c)(9)) is amended by striking ''statewide outdoor recreation plans developed under the Act of September 3, 1964 (78 Stat. 897), as amended'' and inserting ''State action agendas required by section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8)''.

(d) FEDERAL PURPOSES.—Section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–9) is amended by adding at the end the following:

''(d) PRIORITY ACQUISITIONS.—

''(1) IN GENERAL.—As part of the annual budget request under section 1105 of title 31, United States Code, for each fiscal year, the President shall submit a list of priority acquisitions for expenditure of the Federal allocation under this section.

''(2) CONSULTATION.—The Federal priority list shall be prepared in consultation with the Secretary of Agriculture and the Secretary of the Interior.

''(3) CONSIDERATIONS.—In preparing the priority list, the agency heads shall consider—

''(A) the potential adverse impacts that might result if the acquisition were not undertaken;

''(B) the availability of appraisals of land, water, or interests in land or water and other information necessary to complete the acquisition in a timely manner;

''(C) the conservation and recreational values that the acquired land, water, or interest in land or water will provide; and

''(D) any other factors that the agency heads consider appropriate.

''(4) USE OF FUNDS.—An agency head shall expend funds appropriated for a fiscal year for acquisitions in the order of priority specified in the budget request unless Congress, in the general appropriation Act for the fiscal year, specifies a different order of priority or list of priorities.''.

**SEC. 5. URBAN PARK AND RECREATION RECOVERY PROGRAM.**

(a) DEFINITIONS.—Section 1004 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2503) is amended—

(1) in subsection (j), by striking ''and'' at the end;

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

(3) by adding at the end the following:

''(l) 'acquisition grant' means a matching capital grant to a general purpose local government to cover the direct and incidental costs of purchasing new parkland to be permanently dedicated for public conservation and recreation; and

''(m) 'development and construction grant' means a matching capital grant to a general purpose local government to cover costs of development and construction of existing or new neighborhood recreation sites, including indoor and outdoor recreation facilities.''.

(b) ELIGIBILITY OF GENERAL PURPOSE LOCAL GOVERNMENTS.—Section 1005 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2504) is amended by striking ''SEC. 1005.'' and all that follows through subsection (a) and inserting the following:

**''SEC. 1005. ELIGIBILITY.**

''(a) ELIGIBILITY OF GENERAL PURPOSE LOCAL GOVERNMENTS.—

''(1) ELIGIBILITY LIST.—Not later than 120 days after the date of enactment of this paragraph and periodically thereafter, the Secretary shall publish in the Federal Register—

''(A) a list of general purpose local governments eligible for assistance under this Act; and

''(B) a description of the criteria used in determining eligibility.

''(2) CRITERIA.—The criteria for determining eligibility shall be based on factors that the Secretary determines are related to—

''(A) deteriorated recreational facilities or systems;

''(B) economic distress; and

''(C) lack of recreational opportunity.''.

(c) GRANTS.—The Urban Park and Recreation Recovery Act of 1978 is amended by striking section 1006 (16 U.S.C. 2505) and inserting the following:

**''SEC. 6. GRANTS.**

''(a) IN GENERAL.—The Secretary may provide an acquisition grant, development and construction grant, innovation grant, or rehabilitation grant to a general purpose local government on approval by the Secretary of an application made by the chief executive officer of the local government.

''(b) FEDERAL SHARE.—The Federal share of a project undertaken with a grant under subsection (a) shall not exceed 70 percent.

''(c) TRANSFER OF GRANT.—

''(1) IN GENERAL.—With the consent of the Secretary, and if consistent with an approved application, an acquisition grant, development and construction grant, innovation grant, or rehabilitation grant may be transferred in whole or in part to a special purpose local government, private nonprofit agency or political subdivision, or regional park authority.

''(2) ASSURANCES.—A transferee of a grant shall provide an assurance that the transferee will maintain public conservation and recreation opportunities in perpetuity at facilities funded with the grant funds.

''(d) GRANT PAYMENTS.—

''(1) ADVANCE APPROVAL.—Payment of a grant under subsection (a) may be made only for a project that the Secretary has approved in advance.

''(2) PROGRESS PAYMENTS.—Payment of a grant under subsection (a) may be made from time to time in keeping with the rate of progress toward completion of a project, on a reimbursable basis.''.

(d) CONVERSION OF USE OF PROPERTY.—The Urban Park and Recreation Recovery Act of 1978 is amended by striking section 1010 (16 U.S.C. 2509) and inserting the following:

**''SEC. 1010. CONVERSION OF USE OF PROPERTY.**

''(a) IN GENERAL.—No property acquired, improved, or developed under this title may be converted to a use other than use for public recreation without the approval of the Secretary.

''(b) APPROVAL.—

''(1) IN GENERAL.—The Secretary may approve a conversion of use of property under subsection (a) if the grant recipient demonstrates that—

''(A) no prudent or feasible alternative to conversion of the use of the property exists;

''(B) because of changes in demographics, the property is no longer viable for use for recreation; or

''(C) the property must be abandoned because of environmental contamination that endangers public health or safety.

''(2) SUBSTITUTION OF OTHER PROPERTY.—Conversion of the use of property shall satisfy any condition that the Secretary considers necessary to ensure that—

''(A) the substituted property is of at least equal market value and reasonably equivalent usefulness and location; and

''(B) the use of the substituted property for recreation is consistent with the current recreation recovery action program.''.

(e) LIMITATION ON USE OF FUNDS.—Section 1014 of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2513) is repealed.

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JANUARY 29, 1999.

Hon. DIANNE FEINSTEIN,
*U.S. Senate, Washington, DC.*

DEAR SENATOR FEINSTEIN: On behalf of Defenders of Wildlife, the Sierra Club and our nearly one million members and supporters, we want to thank you for your leadership in introducing the Public Land and Recreation Improvement Act of 1999 to provide permanent increased funding for both the Land and Water Conservation Fund and the Urban Parks and Recreation Recovery Program.

Ensuring full and permanent funding for the Land and Water Conservation Fund (LWCF) has been a major priority of the environmental community for many years. LWCF represents a promise made by Congress to the American people to reinvest revenue from the development of non-renewable resources into acquisition and permanent protection of key land, water, and open space resources for future generations.

Unfortunately, the LWCF promise is one that has remained largely unfulfilled—funding has averaged only about 25% of its annual authorized level. As a result, numerous conservation opportunities are being lost. Our nation's obligation to purchase lands within our National Wildlife Refuges, Parks, Forests, and Bureau of Land Management units has been neglected. Rivers, estuaries, and wetlands across the country are at risk. Pristine wilderness, vital to clean water and habitat protection, and the foundation of our nation's natural heritage is being threatened or destroyed. Parks and open space—the cornerstone for quality of life in our urban areas—are falling victim to urban sprawl and unchecked development.

As the Public Land and Recreation Improvement Act of 1999 correctly asserts, the need to provide additional protection to our nation's vanishing wildlands and habitats is greater than ever. The National Biological Service warned in a 1995 report that the nation's ecosystems are in decline and many of our park and forest areas must be acquired quickly before lands and wildlife are destroyed.

Your bill takes an important step forward in renewing the commitment made to the American people more than 30 years ago when the LWCF Act was originally passed to preserve—instead of losing forever—these irreplaceable land and water resources.

As you know, the President has also recently made a commitment to seek full and permanent funding for LWCF and other related programs to protect habitat, open space, and important marine and coastal resources. Moreover, the environmental community strongly supports the dedication of funding both for marine and coastal resource protection and critically underfunded state non-game wildlife conservation programs. We are eager to work with you, the President, and other leaders on these issues in Congress to ensure permanent and mandatory funding that addresses all of these crucial needs without creating any incentives for new offshore drilling as some current proposals in Congress would do.

Again, we applaud your leadership in introducing this important legislation and thank you for your commitment to preserving our magnificent natural heritage.

Sincerely,

RODGER SCHLICKEISEN,
*President, Defenders of Wildlife.*
CARL POPE,
*Executive Director, Sierra Club.*

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THE WILDERNESS SOCIETY,
*Washington, DC, February 1, 1999.*

DEAR SENATOR FEINSTEIN: The Wilderness Society would like to commend your efforts in introducing the ''Public Lands and Recreation Investment Act of 1999''. By focusing your bill on LWCF and the Urban Park and Recreation and Recovering (UPAAR) program, it will address needs of expanding population and urban sprawl.

This bill crystallizes several important concepts. It dramatically elevates the funding for LWCF and resuscitates the state-size grant program. Additionally, it reactivates UPAAR and adapts it to respond to contemporary urban needs by allowing land acquisition. Furthermore, the inclusing of language that allow tribes to participate equally with states for matching grants for planning acquisition and rehabilitation sets an important standard.

We support your thoughtful efforts on behalf America's public lands and appreciate the leadership you have provided.

Sincerely,

WILLIAM H. MEADOWS,
*President.*

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By Mr. ROBB (for himself and Mr. WARNER):

S. 533. A bill to amend the Solid Waste Disposal Act to authorize local governments and Governors to restrict receipt of out-of-State municipal solid waste, and for other purposes; to the Committee on Environment and Public Works.

INTERSTATE TRANSPORTATION OF MUNICIPAL SOLID WASTE CONTROL ACT

Mr. ROBB. Mr. President, I rise today, as I have done on two previous occasions, to introduce legislation to stem the flow—actually flood—of trash into Virginia and other States that have been affected. I am pleased to be joined, in doing so, by my senior colleague from Virginia, who will be joining us very shortly, Senator WARNER.

We have witnessed a virtual explosion in legislation in Congress focussed on rights. In recent months, Congress focused on the Patients' Bill of Rights, the Soldiers' Bill of Rights and the Taxpayer Bill of Rights. These are just a few recent examples.

The bill I am introducing today, along with my colleague, Senator WARNER, could be called a Bill of Responsibilities. It recognizes the responsibilities of the various levels of government to manage the huge volumes of trash we are generating.

The primary responsibility for taking care of trash lies with local governments. They are responsible for picking up the trash and they are responsible for finding a place to put it down. Local governments are also charged with the responsibility of making local land-use decisions and should be allowed to decide for themselves whether a community should be subjected to a large landfill that takes garbage from out of State. Recognizing the responsibilities vested in local governments, the legislation we are introducing today allows localities to ban unwanted out-of-State trash.

States have a responsibility for ensuring that the State's environment is protected and that its highways and waterways are safe. This legislation recognizes that responsibility, allowing States to override local government approval of out-of-State imports if local decisions on trash affect the State as a whole. To help States fund this responsibility, the bill allows States to assess up to a $3 per ton fee on out-of-State trash. This fee is similar to the out-of-State tuition that States charge students to come to their States to take advantage of host State's colleges and universities.

In addition, the legislation allows States to cap the amount of trash that can accumulate in landfills that have local approval. By allowing States to impose such a cap, this legislation strikes what we believe is the right balance between localities' desires to generate revenues by accepting waste and States's responsibilities to protect State resources, to provide a safe network of highways, and to ensure that State regulatory agencies are not overwhelmed by the influx of new waste.

This legislation also addresses the responsibilities of States that have refused to face the obligations of siting their own refuse. States that export huge amounts of waste are imposing a burden on those States that have created new capacity. The bill we are introducing sends a very strong message to States that ship more than 6 million tons a year to other States, although no State yet meets that threshold. The bill allows importing States to ban the garbage coming from such superexporting States. If the importing State chooses not to exercise this prohibition, the bill allows the State to impose large and escalating fees on those superexporting States that have not had the political will to site their own excess capacity.

While large regional landfills are becoming more common because of the expense of building modern and environmentally sound facilities, those landfills should accept waste on the basis of a region's cooperation rather than on the basis of a single State's abdication of its responsibilities.

Finally, this legislation recognizes the responsibility of the Congress to regulate interstate commerce. Because the Supreme Court has determined the garbage is commerce, like any other commodity, States and localities have been powerless to halt the disposal of out-of-State waste within their borders. While some States have attempted to limit out-of-State trash on their own, unless Congress acts to grant States and localities the ability to ban or limit out-of-State trash, those State laws are likely to be struck down as unconstitutional.

This legislation overcomes that constitutional hurdle by granting States and localities the right to restrict interstate trash disposal. If we again fail to pass legislation that protects localities from being buried under out-of-State garbage, we are abdicating our own responsibility to protect the quality of life of communities in each of our States.

The bills I have introduced in past Congresses focused on protecting localities from unwanted garbage. The bill Senator WARNER and I introduce today builds on that foundation. It reflects Virginia's most recent experience with importing garbage and addresses both the problems we have seen and the lessons we have learned. We now have enough history to examine the benefits and the possible burdens of host community agreements, and how they can best be used to develop state-of-the-art landfills. We also understand better the hardships that trash traffic can impose on communities that do not benefit from another community's decision to host a large landfill. Finally, it addresses a problem that has festered for too long, the inability of States to summon the political will to site their own capacity. I encourage the Senate to move quickly to consider this particular legislation.

Mr. WARNER. Mr. President, I am pleased to introduce today, along with my colleague, Senator ROBB, legislation to give our States and local governments authority to ensure that they can effectively manage the disposal of municipal waste within their borders.

For several years, the Committee on Environment and Public Works, on which I serve, has considered many legislative proposals to convey authorities to States and localities to begin to address this serious problem. Unfortunately, no legislation has been enacted since this serious problem first surfaced in the early 1990s.

Mr. President, in past years, Senator ROBB and I have introduced legislation individually to allow localities to have the ability to decide when and under what circumstances waste generated from out-of-state sources came into their communities for disposal. Today, I am pleased that we are renewing our commitment to solving this serious problem by working together to introduce this legislation.

Today, large volumes of waste are traveling from Northeastern states to Mid-west and Mid-Atlantic states. Over the past few years, the amount of waste traveling across state lines has greatly increased and projections are that interstate waste shipments from certain states will continue to grow.

Most States and localities are responsible in ensuring that adequate capacity exists to accommodate municipal waste generated within each community. I regret, however, that the evidence available today shows that there are specific situations where State and local governments are neglecting responsible environmental stewardship.

The result of this neglect is that other States are bearing the burden of disposing of their waste. These State and local governments currently have no authority to refuse this waste or even to control the amount of waste that is sent for disposal on a daily basis.

Our legislation recognizes that in the normal course of business is it necessary for some amount of waste to travel across State lines, particularly in circumstances where there are large urban areas located at state borders. Our legislation will not close down State borders or prevent any waste shipments.

States will have, however, for the first time, the ability to effectively manage and plan for the disposal out-of-State waste along with waste generated within their borders.

Specifically, our legislation will allow States who are today receiving 1 million tons of waste or more to control the growth of these waste shipments.

These States would be permitted to freeze at current levels the amount of waste they are receiving or, if they decided, they could determine the amount of out-of-State waste they can safely handle. Today, they have no voice, but this legislation will give all citizens the right to participate in these important waste disposal decisions.

For all States and localities, protections would be provided to ensure that all interstate waste must be handled pursuant to a host community agreement. These voluntary agreements between the local community receiving the waste and the industry disposing of the waste have allowed some local governments to determine waste disposal activities within their borders.

Mr. President, I look forward to working with my colleagues to develop a fair and equitable resolution to this problem.

I encourage my colleagues to carefully review our legislation and I welcome their comments.

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By Mr. WARNER (for himself and Mr. ROBB):

S. 535. A bill to amend section 49106(c)(6) of title 49, United States Code, to remove a limitation on certain funding; to the Committee on Commerce, Science, and Transportation.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY IMPROVEMENT ACT

Mr. WARNER. Mr. President, I rise today to introduce legislation, along with Senator ROBB, to give Reagan National and Dulles International Airports equitable treatment under Federal law that is enjoyed today by all of the major commercial airports.

When the Congress enacted legislation in 1986 to transfer ownership of Reagan National and Dulles Airports to a regional authority—and I may say, Mr. President, I was a part of that airport commission. It was chaired by the former Governor of Virginia, Linwood Holton; Senator SARBANES joined me on that. From that, I drew up this very legislation that did the transfer. We included in that legislation that I drafted a provision to create a congressional board of review.

Immediately upon passage of the 1986 Transfer Act, local community groups filed a lawsuit challenging the constitutionality of the board of review. The Supreme Court upheld the lawsuit and concurred that the Congressional Board of Review as structured was unconstitutional because it gave Members of Congress veto authority over the airport decisions. The Court ruled that the functions of the board of review was a violation of the separation of powers doctrine.

During the 1991 House-Senate conference on the Intermodal Surface Transportation Efficiency Act, I offered an amendment, which was adopted, to attempt to revise the Board of Review to meet the constitutional requirements.

Those provisions were also challenged and again were ruled unconstitutional.

In 1996, in another attempt to address the situation, the Congress enacted legislation to repeal the Board of Review since it no longer served any function due to several federal court rulings. In its place, Congress increased the number of federal appointees to the MWAA Board of Directors from 1 to 3 members.

In addition to the requirement that the Senate confirm the appointees, the statute contains a punitive provision which denies all federal Airport Improvement Program entitlement grants and passenger facility charges to Dulles International and Reagan National if the appointees were not confirmed by October 1, 1997.

Mr. President, the Senate has not confirmed the three Federal appointees, Since October, 1997, Dulles International and Reagan National, and its customers, have been waiting for the Senate to take action. Finally in 1998, the Senate Commerce Committee favorably reported the three pending nominations to the Senate for consideration, but unfortunately no further action occurred because these nominees were held hostage for other unrelated issues. Many speculate that these nominees have not been confirmed because of the ongoing delay in enacting a long-term FAA reauthorization bill.

Mr. President, I am not here today to join in that speculation. I do want, however, to call to the attention of my colleagues the severe financial, safety and consumer service constraints this inaction is having on both Dulles and Reagan National.

As the current law forbids the FAA from approving any AIP entitlement grants for construction at the two airports and from approving any Passenger Facility Charge (PFC) applications, these airports have been denied access to over $200 million.

These are funds that every other airport in the country receives annually and are critical to maintaining a quality level of service and safety at our Nation's airports. Unlike any other airport in the country, federal funds have been withheld from Dulles and Reagan National for over 18 months.

These critically needed funds have halted important construction projects at both airports. Of the over $200 million that is due, approximately $161 million will fund long-awaited construction projects and $40 million is needed to fund associated financing costs.

I respect the right of the Senate to exercise its constitutional duties to confirm the President's nominees to important federal positions. I do not, however, believe that it is appropriate to link the Senate's confirmation process to vitally needed federal dollars to operate airports.

Also, I must say that I can find no justification for the Senate's delay in considering the qualifications of these nominees to serve on the MWAA Board. To my knowledge, no one has raised concerns about the qualifications of the nominees. We are neglecting our duties.

For this reason, I am introducing legislation today—the Metropolitan Washington Airports Authority Improvement Act—to repeal the punitive prohibition on releasing Federal funds to the airports until the Federal nominees have been confirmed.

Airports are increasingly competitive. Those that cannot keep up with the growing demand see the services go to other airports. This is particularly true with respect to international services, and low-fare services, both of which are essential.

As a result of the Senate's inaction, I provide for my colleagues a list of the several major projects that are virtually on hold since October, 1997. They are as follows:

At Dulles International there are four major projects necessary for the airport to maintain the tremendous growth that is occurring there.

*Main terminal gate concourse:* It is necessary to replace the current temporary buildings attached to the main terminal with a suitable facility. This terminal addition will include passenger hold rooms and airline support space. The total cost of this project is $15.4 million, with $11.2 million funded by PFCs.

*Passenger access to main terminal:* As the Authority continues to keep pace with the increased demand for parking and access to the main terminal, PFCs

are necessary to build a connector between a new automobile parking facility and the terminal. The total cost of this project is $45.5 million, with $29.4 million funded by PFCs.

*Improved passenger access between concourse B and main terminal:* With the construction of a pedestrian tunnel complex between the main terminal and the B concourse, the Authority will be able to continue to meet passenger demand for access to this facility. Once this project is complete, access to concourse B will be exclusively by moving sidewalk, and mobile lounge service to this facility will be unnecessary. The total cost of this project is $51.1 million, with $46.8 million funded by PFCs.

*Increased baggage handling capacity:* With increased passenger levels come increase demands for handling baggage. PFC funding is necessary to construct a new baggage handling area for inbound and outbound passengers. The total cost of this project is $38.7 million, with $31.4 million funded by PFCs.

At Reagan National there are two major projects that are dependent on the Authority's ability to implement passenger facility charges (PFCs).

*Historic main terminal rehabilitation:* Even though the new terminal at Reagan National was opened last year, the entire Capital Development Program will not be complete until the historic main terminal is rehabilitated for airline use. This project includes the construction of nine air carrier gates, renovation of historic portions of the main terminal for continued passenger use and demolition of space that is no longer functional. The total cost of this project is $94.2 million with $20.7 million to be paid for by AIP entitlement grants and $36.2 million to be funded with PFCs. Additional airfield work to accompany this project will cost $12.2 million, with $5.2 million funded by PFCs.

*Terminal connector expansion:* In order to accommodate the increased passengers moving between Terminals B and C (the new terminal) and Terminal A, it is necessary to expand the ''Connector'' between the two buildings. The total cost of the project is $4.8 million, with $4.3 million funded by PFCs.

Mr. President, my legislation is aimed at ensuring that necessary safety and service improvements proceed at Reagan National and Dulles. Let's give them the ability to address consumer needs just like every other airport does on a daily basis.

Mr. President, here is the problem. This legislation does not remove the Congress of the United States, and particularly the Senate, from the advise-and-consent role, but it allows the money, which we need for the modernization of these airports, to flow properly to the airports to continue the program of restructuring them physically to accommodate somewhat larger traffic patterns, as well as do the necessary modernization to achieve safety—most important, safety—and greater convenience for the passengers using these two airports.

Those funds have been held up. It is over $200 million, as my colleague from Virginia will join me in saying; $200 million are more or less held in escrow pending the confirmation by the Senate of the United States of three individuals to this board.

For reasons known to this body, that confirmation has been held up. The confirmation may remain held up. But this legislation will let the moneys flow to the airports for this needed construction for safety and convenience, and then at a later date, hopefully, we can achieve the confirmation of these three new members to the board. I yield the floor.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia, Mr. ROBB, is recognized.

Mr. ROBB. Mr. President, I am pleased to join my senior colleague, Senator WARNER, in introducing legislation to put an end to the strangulation of the Capital region's airports. As Senator WARNER just indicated, more than $200 million in airport improvements are on hold, and have been on hold since October 1, 1997, as part of an effort to strong-arm the region into accepting more flights at Ronald Reagan Washington National Airport.

I believe this tactic is outrageous. It is bad enough that the Congress is trying to micromanage local airports. As Governor of Virginia, I worked with my now colleague and senior partner, Senator WARNER, and then-Secretary of Transportation Dole to pass this legislation in 1986 designed to get the Federal Government out of the airport management business altogether.

The legislation that was enacted shifted control of the Washington airports away from the Federal Government and to a regional authority so they could effectively and efficiently manage their own airports, just like they do in every other State in the Union.

Even at that time, though, I was not particularly sanguine about the prospect that the Federal Government would not be able to resist the temptation to meddle with our local airports for its own ends. So I was not surprised at the efforts to add flights to National, and it is no secret that, notwithstanding a strong personal friendship that I and my senior colleague have with the distinguished chairman of the Commerce Committee, we sharply disagree on this particular issue. But to block airport improvements and hurt this region's consumers in an attempt to force a policy change is simply wrong.

The Senate has the power to delay airport improvements at National and Dulles, because it must approve nominees to the Metropolitan Washington Airports Authority that manage both—both—Ronald Reagan Washington National Airport and Dulles International Airport.

Without the nominees, the airports cannot obtain grants under the Airport Improvement Program or use the passenger facility charges to fund projects.

These two programs are the lifeblood of airport funding. So Senate inaction on the nominees keeps Dulles and National from making improvements that can truly make a difference to consumers.

Proponents of more flights at National argue they are helping consumers. But blocking the nominees blocks major improvements that would also help consumers.

These improvements include easier passenger access between the terminals and parking, better access among terminals, improved baggage handling, and the renovation of aging facilities.

We should resolve the issue of the number of flights and the distance of flights at National with open debate and not through coercion.

The legislation Senator WARNER and I are proposing today severs the link between action on the nominees and action on airport improvements, and we urge our colleagues to support this effort.

Our proposal retains the Senate's role in approving the nominees. So if Members have concerns about airport management, those concerns can be addressed. But it is simply wrong to hold airport improvements hostage. It is time to rescue Dulles and National. We shouldn't allow the critical improvements at both airports to remain captive any longer.

I am very pleased to join my senior colleague. I yield the floor.

Mr. WARNER. Mr. President, I am pleased to join my colleague. This Senator, and I hope Senator ROBB, is prepared to stand on this floor until this measure passes, no matter what it takes.

Mr. ROBB. I can assure my senior colleague, like a stone wall.

Mr. WARNER. Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows.

S. 535

*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 ''Metropolitan Washington Airports Authority Improvement Act''.

**SEC. 2. REMOVAL OF LIMITATION.**

Section 49106(c)(6) of title 49, United States Code, is amended—

(1) by striking subparagraph (C); and

(2) by redesignating subparagraph (D) as subparagraph (C).

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By Mr. WARNER:

S. 536. A bill entitled the ''Wendell H. Ford National Air Transportation System Improvement Act of 1999''; to the Committee on Commerce, Science, and Transportation.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1999

Mr. WARNER. Mr. President, I rise today to share with my colleagues my strong opposition and serious concerns about safety and service impacts resulting from S. 82, the Air Transportation Improvement Act. This legislation has been reported from the Commerce Committee and reauthorizes the activities of the Federal Aviation Administration.

My remarks today will focus on the unwise provisions included in this bill which tear apart the Perimeter and High Density rules at Reagan National Airport. These rules have been in effect—either in regulation or in statute—for nearly 30 years. Since 1986, these rules have been a critical ingredient in providing for significant capital investments and a balance in service among this region's three airports—Dulles International, Reagan National, and Baltimore-Washington International.

First and foremost, I believe these existing rules have greatly benefitted the traveling public—the consumer. The provisions in the Committee bill will severely reduce the level of service that Reagan National now provides and, as a result, consumer convenience in air travel will suffer greatly.

The provisions in S. 82 differ dramatically from the provisions included in the legislation the Senate passed last year by a vote of 92 to 1. Of the four slot-controlled airports in the country—Reagan National, O'Hare International in Chicago, and Kennedy and LaGuardia in New York—only Reagan National received a significant increase in take-off and landing slots from last year's bill—24 per day to 48 per day.

This increase is unjustified and not supported by any evidence that it is needed. Today, Reagan National handles approximately 800 take-off and landing operations per day, Chicago's O'Hare handles approximately 2,000 take-off and landing operations per day. Yet, in the Committee-reported bill Reagan National would receive another 48 slots while O'Hare would receive only another 30 slots per day. This is a disproportionate increase especially when one compares the size and daily operations of the airports. Again, at New York's Kennedy and LaGuardia, there are no changes in this year's bill from the provisions included in the bill passed by the Senate last year.

Mr. President, to gain a full understanding of the severe impact that these changes will have on our regional airports, one must examine the recent history of these three airports. Prior to 1986, Dulles and Reagan National were federally-owned and managed by the FAA. The level of service provided at these airports was deplorable. At National, consumers were routinely subject to traffic gridlock, insufficient parking, and routine flight cancellations and delays. Dulles was an isolated, underutilized airport.

For years, the debate raged within the FAA and the surrounding communities about the future of Reagan National. Should it be improved, expanded or closed? This ongoing uncertainly produced an atmosphere where no investments were made in National and Dulles and service continued to deteriorate.

A national commission, now known as the Holton Commission, was created in 1984 and led by former Virginia Governor Linwood Holton and former Secretary of Transportation Elizabeth Dole to resolve these long-standing controversies which plagued both airports. The result was a recommendation to transfer Federal ownership of the airports so that sorely needed capital investments to improve safety and service could be made.

I was pleased to have participated in the development of the 1986 legislation to transfer operations of these airports to a regional authority. It was a fair compromise of the many issues which had stalled any improvements at both airports over the years. The regulatory High Density Rule was placed in the statute so that neither the FAA nor the Authority could change it unilaterally. The previous passenger cap was repealed, thereby ending growth controls, in exchange for a freeze on slots. Lastly, the perimeter rule at 1,250 miles was established.

For those interested in securing capital investments at both airports, the transfer of these airports under a long-term lease arrangement to the Metropolitan Washington Airports Authority gave MWAA the power to sell bonds to finance the long-overdue work. The Authority has sold millions of dollars in bonds which has financed the new terminal, rehabilitation of the existing terminal, a new control tower and parking facilities at Reagan National.

These improvements would not have been possible without the 1986 Transfer Act which included the High Density Rule, and the Perimeter Rule. Limitations on operations at National had long been in effect through FAA regulations, but now were part of the balanced compromise in the Transfer Act.

For those who feared significant increases in flight activity at National and who for years had prevented any significant investments in National, they were now willing to support major rehabilitation work at National to improve service. They were satisfied that these guarantees would ensure that Reagan National would not become another ''Dulles or BWI''. Citizens had received legislative assurances that there would be no growth at Reagan National in terms of permitted scheduled flights beyond on the 37-per-hour-limit.

These critical decisions in the 1986 Transfer Act were made to fix both the aircraft activity level at Reagan National and to set its role as a short/medium haul airport. These compromises served to insulate the airport from its long history of competing efforts to increase and to decrease its use.

Since the transfer, the Authority has worked to maintain the balance in service between Dulles and Reagan National. The limited growth principle for Reagan National has been executed by the Authority in all of its planning assumptions and the Master Plan. While we have all witnessed the transformation of National into a quality airport today, these improvements in terminals, the control tower and parking facilities were all determined to meet the needs of this airport for the foreseeable future based on the continuation of the High Density and Perimeter rules. These improvements, however, have purposely not included an increase in the number of gates for aircraft or airfield capacity.

Prior to the 1986 Transfer Act, while National was mired in controversy and poor service, Dulles was identified as the region's growth airport. Under FAA rules and the Department of Transportation's 1981 Metropolitan Washington Airports Policy, it was recognized that Dulles had the capacity for growth and a suitable environment to accommodate this growth. Following enactment of the Transfer Act, plans, capital investments and bonding decisions made by the Authority all factored in the High Density and Perimeter rules.

Mr. President, I provide this history on the issues which stalled improvements at the region's airports in the 1970s and 1980s because it is important to understanding how these airports have operated so effectively over the past thirteen years.

Everyone one of us should ask ourselves if the 1986 Transfer Act has met our expectations. For me, the answer is a resounding yes. Long-overdue capital investments have been made in Reagan National and Dulles. The surrounding communities have been given an important voice in the management of these airports. We have seen unprecedented stability in the growth of both airports. Most importantly, the consumer has benefitted by enhanced service at Reagan National.

For these reasons, I strongly oppose the Committee bill to add 48 slots, or another 16,000 flights annually, at Reagan National. There is no justification for an increase of this size. It is not recommended by the Administration, by the airline industry, by the Metropolitan Washington Airports Authority or by the consumer.

Last year, I cautiously supported a modest increase in flights at Reagan National because I believed it was a fair compromise of the many competing demands in the airline industry today. While many of my constituents strongly opposed this limited increase in aircraft activity at National, I came to the conclusion that this growth could be accommodated without significantly disrupting consumer services or safety.

Mr. President, I deeply regret that the Committee did not include in S.82 the provisions from last year's bill which was the result of an agreement

between the Chairman, the Majority Leader and those of us representing this region. I am prepared today to stand behind our agreement and will continue to work with the Commerce Committee to ensure that they understand how detrimental this excessive increase in flights will be for our hard-fought regional balance, air traffic safety and consumer service.

At a time when the Committee is considering legislation to protect air travel consumer rights, why are we considering legislation that will do nothing but severely disrupt consumer services at Reagan National?

The capital improvements made at Reagan National since the 1986 Transfer Act have not expanded the 44 gates or expanded airfield capacity. All of the improvements that have been made have been on the landside of the airport. No improvements have been made to accommodate increase aircraft capacity. Expanding flights at National to a level included in the Committee bill will simply ''turn back the clock'' at National to the days of traffic gridlock, overcrowded terminal activity and flight delays—all to the detriment of the traveling public.

This ill-advised scheme is sure to return Reagan National to an airport plagued by delays and inconvenience. This proposal threatens to overwhelm the new facilities, just as the previous facilities were overwhelmed. However, now it would be worse. Now, we would be facing increased aircraft delays. There would be delays and inconvenience both on the ground and in the air.

Any discussion of operations at Reagan National cannot occur without a recognition of the impact these increased flights will have on aircraft noise. One of the principal reasons why many in the Washington region were so wary of improvements at Reagan National, making it more attractive for additional flights and increased noise levels, appears to be coming true.

My colleagues will attempt to persuade you that these new flights, based on noise measurement techniques, will not result in noticeable increases in noise levels. The plain fact is that the increased flights included in the Committee bill will result in about 16,000 new flights each year at Reagan National. Do any of us believe that 16,000 new flights will not result in a ''noticeable'' increase in noise.

Mr. President, I regret that I must oppose the recommendations of the Commerce Committee to add another 48 slots at Reagan National. This is an unjustified increase that has not been thoroughly examined by the FAA. I believe it has the very real possibility of jeopardizing the significant improvements made at Reagan National in the past 10 years and will return the airport to the days of poor service, delays and overcrowding.

The current temporary extension of FAA activities and AIP funding expires at the end of this month. I readily recognize that the Congress must move forward with a full reauthorization proposal. Due to the press of time, it is regrettable that the Committee has decided to make such a significant change from last year's bill. This new approach does not aid our efforts to enact a full FAA reauthorization bill for our communities.

For these reasons, I am introducing today the FAA legislation passed by the Senate last September by a vote of 92 to 1. It provides for a modest increase in flights at Reagan National both inside and beyond the 1,250-mile perimeter.

Mr. President, I also intend to exercise all of my rights and engage in an extensive debate on these important issues.

Mr. President, this bill is exactly the bill passed by the U.S. Senate last year with a vote of 91 Senators to 1 no vote.

Mr. President, this is the bill which said that there shall be 24 slots in the judgment of the Senate. It was to go to the House, which it did. The House and the Senate could not reconcile their differences. I worked very carefully with Senator MCCAIN. I want to make it clear we had an understanding that I would support this bill of 24 even though I felt the slots were too many.

I had every reason to believe that in the negotiations with the House, the number of slots would come down below 24—usually the House and Senate split their differences—to, say 12, which although I still would not like to see 12 additional slots, for safety and other reasons, 90 other Senators felt there should be additional slots.

So recognizing the preponderance of the Senate wanted additional slots, I was willing to accept. Senator MCCAIN did not break his deal with me because the House would not accept any. So now he will soon be back here on the floor, presumably with another bill for 48 slots. I think that is too high. My bill hopefully will be put on as an amendment, as a substitute, in the course of that deliberation.

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. 536

*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 SECTIONS.**

(a) SHORT TITLE.—This Act may be cited as the ''Wendell H. Ford National Air Transportation System Improvement Act of 1998''.

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

**SEC. 2. AMENDMENTS TO TITLE 49, UNITED STATES CODE.**

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

## TITLE I—AUTHORIZATIONS

**SEC. 101. FEDERAL AVIATION ADMINISTRATION OPERATIONS.**

(a) IN GENERAL.—Section 106(k) is amended to read as follows:

''(k) AUTHORIZATION OF APPROPRIATIONS FOR OPERATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Secretary of Transportation for operations of the Administration $5,631,000,000 for fiscal year 1999 and $5,784,000,000 for fiscal year 2000. Of the amounts authorized to be appropriated for fiscal year 1999, not more than $9,100,000 shall be used to support air safety efforts through payment of United States membership obligations, to be paid as soon as practicable.

''(2) AUTHORIZED EXPENDITURES.—Of the amounts appropriated under paragraph (1) $450,000 may be used for wildlife hazard mitigation measures and management of the wildlife strike database of the Federal Aviation Administration.

''(3) UNIVERSITY CONSORTIUM.—There are authorized to be appropriated not more than $9,100,000 for the 3 fiscal year period beginning with fiscal year 1999 to support a university consortium established to provide an air safety and security management certificate program, working cooperatively with the Federal Aviation Administration and United States air carriers. Funds authorized under this paragraph—

''(A) may not be used for the construction of a building or other facility; and

''(B) shall be awarded on the basis of open competition.''.

(b) COORDINATION.—The authority granted the Secretary under section 41717 of title 49, United States Code, does not affect the Secretary's authority under any other provision of law.

**SEC. 102. AIR NAVIGATION FACILITIES AND EQUIPMENT.**

(a) IN GENERAL.—Section 48101(a) is amended by striking paragraphs (1) and (2) and inserting the following:

''(1) for fiscal year 1999—

''(A) $222,800,000 for engineering, development, test, and evaluation: en route programs;

''(B) $74,700,000 for engineering, development, test, and evaluation: terminal programs;

''(C) $108,000,000 for engineering, development, test, and evaluation: landing and navigational aids;

''(D) $17,790,000 for engineering, development, test, and evaluation: research, test, and evaluation equipment and facilities programs;

''(E) $391,358,300 for air traffic control facilities and equipment: en route programs;

''(F) $492,315,500 for air traffic control facilities and equipment: terminal programs;

''(G) $38,764,400 for air traffic control facilities and equipment: flight services programs;

''(H) $50,500,000 for air traffic control facilities and equipment: other ATC facilities programs;

''(I) $162,400,000 for non-ATC facilities and equipment programs;

''(J) $14,500,000 for training and equipment facilities programs;

''(K) $280,800,000 for mission support programs;

''(L) $235,210,000 for personnel and related expenses; and

''(2) $2,189,000,000 for fiscal year 2000.''.

(b) CONTINUATION OF ILS INVENTORY PROGRAM.—Section 44502(a)(4)(B) is amended—

(1) by striking ''fiscal years 1995 and 1996'' and inserting ''fiscal years 1999 and 2000''; and

(2) by striking ''acquisition,'' and inserting ''acquisition under new or existing contracts,''.

(c) LIFE-CYCLE COST ESTIMATES.—The Administrator of the Federal Aviation Administration shall establish life-cycle cost estimates for any air traffic control modernization project the total life-cycle costs of which equal or exceed $50,000,000.

**SEC. 103. AIRPORT PLANNING AND DEVELOPMENT AND NOISE COMPATIBILITY PLANNING AND PROGRAMS.**

(a) EXTENSION AND AUTHORIZATION.—Section 48103 is amended by—

(1) striking ''September 30, 1996,'' and inserting ''September 30, 1998,''; and

(2) striking ''$2,280,000,000 for fiscal years ending before October 1, 1997, and $4,627,000,000 for fiscal years ending before October 1, 1998.'' and inserting ''$2,410,000,000 for fiscal years ending before October 1, 1999 and $4,885,000,000 for fiscal years ending before October 1, 2000.''.

(b) PROJECT GRANT AUTHORITY.—Section 47104(c) is amended by striking ''1998,'' and inserting ''2002,''.

**SEC. 104. REPROGRAMMING NOTIFICATION REQUIREMENT.**

Before reprogramming any amounts appropriated under section 106(k), 48101(a), or 48103 of title 49, United States Code, for which notification of the Committees on Appropriations of the Senate and the House of Representatives is required, the Secretary of Transportation shall submit a written explanation of the proposed reprogramming to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

**SEC. 105. AIRPORT SECURITY PROGRAM.**

(a) IN GENERAL.—Chapter 471 (as amended by section 202(a) of this Act) is amended by adding at the end thereof the following new section:

**''§ 47136. Airport security program**

''(a) GENERAL AUTHORITY.—To improve security at public airports in the United States, the Secretary of Transportation shall carry out not less than 1 project to test and evaluate innovative airport security systems and related technology.

''(b) PRIORITY.—In carrying out this section, the Secretary shall give the highest priority to a request from an eligible sponsor for a grant to undertake a project that—

''(1) evaluates and tests the benefits of innovative airport security systems or related technology, including explosives detection systems, for the purpose of improving airport and aircraft physical security and access control; and

''(2) provides testing and evaluation of airport security systems and technology in an operational, test bed environment.

''(c) MATCHING SHARE.—Notwithstanding section 47109, the United States Government's share of allowable project costs for a project under this section is 100 percent.

''(d) TERMS AND CONDITIONS.—The Secretary may establish such terms and conditions as the Secretary determines appropriate for carrying out a project under this section, including terms and conditions relating to the form and content of a proposal for a project, project assurances, and schedule of payments.

''(e) ELIGIBLE SPONSOR DEFINED.—In this section, the term 'eligible sponsor' means a nonprofit corporation composed of a consortium of public and private persons, including a sponsor of a primary airport, with the necessary engineering and technical expertise to successfully conduct the testing and evaluation of airport and aircraft related security systems.

''(f) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts made available to the Secretary under section 47115 in a fiscal year, the Secretary shall make available not less than $5,000,000 for the purpose of carrying out this section.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for such chapter (as amended by section 202(b) of this Act) is amended by inserting after the item relating to section 47135 the following:

''47136. Airport security program.''.

**SEC. 106. CONTRACT TOWER PROGRAM.**

There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out the Federal Contract Tower Program under title 49, United States Code.

**SEC. 107. AUTOMATED SURFACE OBSERVATION SYSTEM STATIONS.**

The Administrator of the Federal Aviation Administration shall not terminate human weather observers for Automated Surface Observation System stations until—

(1) the Secretary of Transportation determines that the System provides consistent reporting of changing meteorological conditions and notifies the Congress in writing of that determination; and

(2) 60 days have passed since the report was submitted to the Congress.

## TITLE II—AIRPORT IMPROVEMENT PROGRAM AMENDMENTS

**SEC. 201. REMOVAL OF THE CAP ON DISCRETIONARY FUND.**

Section 47115(g) is amended by striking paragraph (4).

**SEC. 202. INNOVATIVE USE OF AIRPORT GRANT FUNDS.**

(a) CODIFICATION AND IMPROVEMENT OF 1996 PROGRAM.—Subchapter I of chapter 471 is amended by adding at the end thereof the following:

**''§ 47135. Innovative financing techniques**

''(a) IN GENERAL.—The Secretary of Transportation is authorized to carry out a demonstration program under which the Secretary may approve applications under this subchapter for not more than 20 projects for which grants received under the subchapter may be used to implement innovative financing techniques.

''(b) PURPOSE.—The purpose of the demonstration program shall be to provide information on the use of innovative financing techniques for airport development projects.

''(c) LIMITATION—In no case shall the implementation of an innovative financing technique under this section be used in a manner giving rise to a direct or indirect guarantee of any airport debt instrument by the United States Government.

''(d) INNOVATIVE FINANCING TECHNIQUE DEFINED.—In this section, the term 'innovative financing technique' includes methods of financing projects that the Secretary determines may be beneficial to airport development, including—

''(1) payment of interest;

''(2) commercial bond insurance and other credit enhancement associated with airport bonds for eligible airport development; and

''(3) flexible non-Federal matching requirements.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 471 is amended by inserting after the item relating to section 47134 the following:

''47135. Innovative financing techniques.''.

**SEC. 203. MATCHING SHARE.**

Section 47109(a)(2) is amended by inserting ''not more than'' before ''90 percent''.

**SEC. 204. INCREASE IN APPORTIONMENT FOR NOISE COMPATIBILITY PLANNING AND PROGRAMS.**

Section 47117(e)(1)(A) is amended by striking ''31'' each time it appears and substituting ''35''.

**SEC. 205. TECHNICAL AMENDMENTS.**

(a) USE OF APPORTIONMENTS FOR ALASKA, PUERTO RICO, AND HAWAII.—Section 47114(d)(3) is amended to read as follows:

''(3) An amount apportioned under paragraph (2) of this subsection for airports in Alaska, Hawaii, or Puerto Rico may be made available by the Secretary for any public airport in those respective jurisdictions.''.

(b) SUPPLEMENTAL APPORTIONMENT FOR ALASKA.—Section 47114(e) is amended—

(1) by striking ''ALTERNATIVE'' in the subsection caption and inserting ''SUPPLEMENTAL'';

(2) in paragraph (1) by—

(A) striking ''Instead of apportioning amounts for airports in Alaska under'' and inserting ''Notwithstanding''; and

(B) striking ''those airports'' and inserting ''airports in Alaska''; and

(3) striking paragraph (3) and inserting the following:

''(3) An amount apportioned under this subsection may be used for any public airport in Alaska.''.

(c) REPEAL OF APPORTIONMENT LIMITATION ON COMMERCIAL SERVICE AIRPORTS IN ALASKA.—Section 47117 is amended by striking subsection (f) and redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(d) DISCRETIONARY FUND DEFINITION.—

(1) Section 47115 is amended—

(A) by striking ''25'' in subsection (a) and inserting ''12.5''; and

(B) by striking the second sentence in subsection (b).

(2) Section 47116 is amended—

(A) by striking ''75'' in subsection (a) and inserting ''87.5'';

(B) by redesignating paragraphs (1) and (2) in subsection (b) as subparagraphs (A) and (B), respectively, and inserting before subparagraph (A), as so redesignated, the following:

''(1) one-seventh for grants for projects at small hub airports (as defined in section 41731 of this title); and

''(2) the remaining amounts based on the following:''.

(e) CONTINUATION OF PROJECT FUNDING.—Section 47108 is amended by adding at the end thereof the following:

''(e) CHANGE IN AIRPORT STATUS.—If the status of a primary airport changes to a nonprimary airport at a time when a development project under a multiyear agreement under subsection (a) is not yet completed, the project shall remain eligible for funding from discretionary funds under section 47115 of this title at the funding level and under the terms provided by the agreement, subject to the availability of funds.''.

(f) GRANT ELIGIBILITY FOR PRIVATE RELIEVER AIRPORTS.—Section 47102(17)(B) is amended by—

(1) striking ''or'' at the end of clause (i) and redesignating clause (ii) as clause (iii); and

(2) inserting after clause (i) the following:

''(ii) a privately-owned airport that, as a reliever airport, received Federal aid for airport development prior to October 9, 1996, but only if the Administrator issues revised administrative guidance after July 1, 1998, for the designation of reliever airports; or''.

(g) RELIEVER AIRPORTS NOT ELIGIBLE FOR LETTERS OF INTENT.—Section 47110(e)(1) is amended by striking ''or reliever''.

(h) PASSENGER FACILITY FEE WAIVER FOR CERTAIN CLASS OF CARRIERS.—Section 40117(e)(2) is amended—

(1) by striking ''and'' after the semicolon in subparagraph (B);

(2) by striking ''payment.'' in subparagraph (C) and inserting ''payment; and''; and

(3) by adding at the end thereof the following:

''(D) in Alaska aboard an aircraft having a seating capacity of less than 20 passengers.''.

(i) PASSENGER FACILITY FEE WAIVER FOR CERTAIN CLASS OF CARRIERS OR FOR SERVICE TO AIRPORTS IN ISOLATED COMMUNITIES.—Section 40117(i) is amended—

(1) by striking ''and'' at the end of paragraph (1);

(2) by striking ''transportation.'' in paragraph (2)(D) and inserting ''transportation; and''; and

(3) by adding at the end thereof the following:

''(3) may permit a public agency to request that collection of a passenger facility fee be waived for—

''(A) passengers enplaned by any class of air carrier or foreign air carrier if the number of passengers enplaned by the carriers in the class constitutes not more than one percent of the total number of passengers enplaned annually at the airport at which the fee is imposed; or

''(B) passengers enplaned on a flight to an airport—

''(i) that has fewer than 2,500 passenger boardings each year and receives scheduled passenger service; or

''(ii) in a community which has a population of less than 10,000 and is not connected by a land highway or vehicular way to the land-connected National Highway System within a State.''.

(j) USE OF THE WORD ''GIFT'' AND PRIORITY FOR AIRPORTS IN SURPLUS PROPERTY DISPOSAL.—

(1) Section 47151 is amended—

(A) by striking ''give'' in subsection (a) and inserting ''convey to'';

(B) by striking ''gift'' in subsection (a)(2) and inserting ''conveyance'';

(C) by striking ''giving'' in subsection (b) and inserting ''conveying'';

(D) by striking ''gift'' in subsection (b) and inserting ''conveyance''; and

(E) by adding at the end thereof the following:

''(d) PRIORITY FOR PUBLIC AIRPORTS.—Except for requests from another Federal agency, a department, agency, or instrumentality of the Executive Branch of the United States Government shall give priority to a request by a public agency (as defined in section 47102 of this title) for surplus property described in subsection (a) of this section for use at a public airport.''.

(2) Section 47152 is amended—

(A) by striking ''**gifts**'' in the section caption and inserting ''**conveyances**''; and

(B) by striking ''gift'' in the first sentence and inserting ''conveyance''.

(3) The chapter analysis for chapter 471 is amended by striking the item relating to section 47152 and inserting the following:

''47152. Terms of conveyances.''.

(4) Section 47153(a) is amended—

(A) by striking ''gift'' in paragraph (1) and inserting ''conveyance'';

(B) by striking ''given'' in paragraph (1)(A) and inserting ''conveyed''; and

(C) by striking ''gift'' in paragraph (1)(B) and inserting ''conveyance''.

(k) APPORTIONMENT FOR CARGO ONLY AIRPORTS.—Section 47114(c)(2)(A) is amended by striking ''2.5 percent'' and inserting ''3 percent''.

(l) FLEXIBILITY IN PAVEMENT DESIGN STANDARDS.—Section 47114(d) is amended by adding at the end thereof the following:

''(4) The Secretary may permit the use of State highway specifications for airfield pavement construction using funds made available under this subsection at nonprimary airports with runways of 5,000 feet or shorter serving aircraft that do not exceed 60,000 pounds gross weight, if the Secretary determines that—

''(A) safety will not be negatively affected; and

''(B) the life of the pavement will not be shorter than it would be if constructed using Administration standards.

An airport may not seek funds under this subchapter for runway rehabilitation or reconstruction of any such airfield pavement constructed using State highway specifications for a period of 10 years after construction is completed.''.

**SEC. 206. REPEAL OF PERIOD OF APPLICABILITY.**

Section 125 of the Federal Aviation Reauthorization Act of 1996 (49 U.S.C. 47114 note) is repealed.

**SEC. 207. REPORT ON EFFORTS TO IMPLEMENT CAPACITY ENHANCEMENTS.**

Within 9 months after the date of enactment of this Act, the Secretary of Transportation shall report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives on efforts by the Federal Aviation Administration to implement capacity enhancements and improvements, such as precision runway monitoring systems, and the time frame for implementation of such enhancements and improvements.

**SEC. 208. PRIORITIZATION OF DISCRETIONARY PROJECTS.**

Section 47120 is amended by—

(1) inserting ''(a) IN GENERAL.—'' before ''In''; and

(2) adding at the end thereof the following:

''(b) DISCRETIONARY FUNDING TO BE USED FOR HIGHER PRIORITY PROJECTS.—The Administrator of the Federal Aviation Administration shall discourage airport sponsors and airports from using entitlement funds for lower priority projects by giving lower priority to discretionary projects submitted by airport sponsors and airports that have used entitlement funds for projects that have a lower priority than the projects for which discretionary funds are being requested.''.

**SEC. 209. PUBLIC NOTICE BEFORE GRANT ASSURANCE REQUIREMENT WAIVED.**

(a) IN GENERAL.—Notwithstanding any other provision of law to the contrary, the Secretary of Transportation may not waive any assurance required under section 47107 of title 49, United States Code, that requires property to be used for aeronautical purposes unless the Secretary provides notice to the public not less than 30 days before issuing any such waiver. Nothing in this section shall be construed to authorize the Secretary to issue a waiver of any assurance required under that section.

(b) EFFECTIVE DATE.—This section applies to any request filed on or after the date of enactment of this Act.

**SEC. 210. DEFINITION OF PUBLIC AIRCRAFT.**

Section 40102(a)(37)(B)(ii) is amended—

(1) by striking ''or'' at the end of subclause (I);

(2) by striking the ''States.'' in subclause (II) and inserting ''States; or''; and

(3) by adding at the end thereof the following:

''(III) transporting persons aboard the aircraft if the aircraft is operated for the purpose of prisoner transport.''.

**SEC. 211. TERMINAL DEVELOPMENT COSTS.**

Section 40117 is amended by adding at the end thereof the following:

''(j) SHELL OF TERMINAL BUILDING.—In order to enable additional air service by an air carrier with less than 50 percent of the scheduled passenger traffic at an airport, the Secretary may consider the shell of a terminal building (including heating, ventilation, and air conditioning) and aircraft fueling facilities adjacent to an airport terminal building to be an eligible airport-related project under subsection (a)(3)(E).''.

**SEC. 212. AIRFIELD PAVEMENT CONDITIONS.**

(a) EVALUATION OF OPTIONS.—The Administrator of the Federal Aviation Administration shall evaluate options for improving the quality of information available to the Administration on airfield pavement conditions for airports that are part of the national air transportation system, including—

(1) improving the existing runway condition information contained in the Airport Safety Data Program by reviewing and revising rating criteria and providing increased training for inspectors;

(2) requiring such airports to submit pavement condition index information as part of their airport master plan or as support in applications for airport improvement grants; and

(3) requiring all such airports to submit pavement condition index information on a regular basis and using this information to create a pavement condition database that could be used in evaluating the cost-effectiveness of project applications and forecasting anticipated pavement needs.

(b) REPORT TO CONGRESS.—The Administrator shall transmit a report, containing an evaluation of such options, to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure not later than 12 months after the date of enactment of this Act.

**SEC. 213. DISCRETIONARY GRANTS.**

Notwithstanding any limitation on the amount of funds that may be expended for grants for noise abatement, if any funds made available under section 48103 of title 49, United States Code, remain available at the end of the fiscal year for which those funds were made available, and are not allocated under section 47115 of that title, or under any other provision relating to the awarding of discretionary grants from unobligated funds made available under section 48103 of that title, the Secretary of Transportation may use those funds to make discretionary grants for noise abatement activities.

## TITLE III—AMENDMENTS TO AVIATION LAW

**SEC. 301. SEVERABLE SERVICES CONTRACTS FOR PERIODS CROSSING FISCAL YEARS.**

(a) Chapter 401 is amended by adding at the end thereof the following:

**''§ 40125. Severable services contracts for periods crossing fiscal years**

''(a) IN GENERAL.—The Administrator of the Federal Aviation Administration may enter into a contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.

''(b) OBLIGATION OF FUNDS.—Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of subsection (a) of this section.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 401 is amended by adding at the end thereof the following:

''40125. Severable services contracts for periods crossing fiscal years.''.

**SEC. 302. FOREIGN CARRIERS ELIGIBLE FOR WAIVER UNDER AIRPORT NOISE AND CAPACITY ACT.**

The first sentence of section 47528(b)(1) is amended by inserting ''or foreign air carrier'' after ''air carrier'' the first place it appears and after ''carrier'' the first place it appears.

**SEC. 303. GOVERNMENT AND INDUSTRY CONSORTIA.**

Section 44903 is amended by adding at the end thereof the following:

''(f) GOVERNMENT AND INDUSTRY CONSORTIA.—The Administrator may establish at airports such consortia of government and aviation industry representatives as the Administrator may designate to provide advice on matters related to aviation security and safety. Such consortia shall not be considered federal advisory committees for purposes of the Federal Advisory Committee Act (5 U.S.C. App.).''.

**SEC. 304. IMPLEMENTATION OF ARTICLE 83 BIS OF THE CHICAGO CONVENTION.**

Section 44701 is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

''(e) BILATERAL EXCHANGES OF SAFETY OVERSIGHT RESPONSIBILITIES.—

''(1) Notwithstanding the provisions of this chapter, and pursuant to Article 83 bis of the Convention on International Civil Aviation, the Administrator may, by a bilateral agreement with the aeronautical authorities of another country, exchange with that country all or part of their respective functions and duties with respect to aircraft described in subparagraphs (A) and (B), under the following articles of the Convention:

''(A) Article 12 (Rules of the Air).

''(B) Article 31 (Certificates of Airworthiness).

''(C) Article 32a (Licenses of Personnel).

''(2) The agreement under paragraph (1) may apply to—

''(A) aircraft registered in the United States operated pursuant to an agreement for the lease, charter, or interchange of the aircraft or any similar arrangement by an operator that has its principal place of business, or, if it has no such place of business, its permanent residence, in another country; or

''(B) aircraft registered in a foreign country operated under an agreement for the lease, charter, or interchange of the aircraft or any similar arrangement by an operator that has its principal place of business, or, if it has no such place of business, its permanent residence, in the United States.

''(3) The Administrator relinquishes responsibility with respect to the functions and duties transferred by the Administrator as specified in the bilateral agreement, under the Articles listed in paragraph (1) of this subsection for United States-registered aircraft transferred abroad as described in subparagraph (A) of that paragraph, and accepts responsibility with respect to the functions and duties under those Articles for aircraft registered abroad that are transferred to the United States as described in subparagraph (B) of that paragraph.

''(4) The Administrator may, in the agreement under paragraph (1), predicate the transfer of these functions and duties on any conditions the Administrator deems necessary and prudent.''.

**SEC. 305. FOREIGN AVIATION SERVICES AUTHORITY.**

Section 45301 is amended by striking ''government.'' in subsection (a)(2) and inserting ''government or to any entity obtaining services outside the United States.''.

**SEC. 306. FLEXIBILITY TO PERFORM CRIMINAL HISTORY RECORD CHECKS; TECHNICAL AMENDMENTS TO PILOT RECORDS IMPROVEMENT ACT.**

Section 44936 is amended—

(1) by striking ''subparagraph (C))'' in subsection (a)(1)(B) and inserting ''subparagraph (C), or in the case of passenger, baggage, or property screening at airports, the Administrator decides it is necessary to ensure air transportation security)'';

(2) by striking ''individual'' in subsection (f)(1)(B)(ii) and inserting ''individual's performance as a pilot''; and

(3) by inserting ''or from a foreign government or entity that employed the individual,'' in subsection (f)(14)(B) after ''exists,''.

**SEC. 307. AVIATION INSURANCE PROGRAM AMENDMENTS.**

(a) REIMBURSEMENT OF INSURED PARTY'S SUBROGEE.—Subsection (a) of 44309 is amended—

(1) by striking the subsection caption and the first sentence, and inserting the following:

''(a) LOSSES.—

''(1) A person may bring a civil action in a district court of the United States or in the United States Court of Federal Claims against the United States Government when—

''(A) a loss insured under this chapter is in dispute; or

''(B)(i) the person is subrogated to the rights against the United States Government of a party insured under this chapter (other than under subsection 44305(b) of this title), under a contract between the person and such insured party; and

''(ii) the person has paid to such insured party, with the approval of the Secretary of Transportation, an amount for a physical damage loss that the Secretary of Transportation has determined is a loss covered under insurance issued under this chapter (other than insurance issued under subsection 44305(b) of this title).''; and

(2) by resetting the remainder of the subsection as a new paragraph and inserting ''(2)'' before ''A civil action''.

(b) EXTENSION OF AVIATION INSURANCE PROGRAM.—Section 44310 is amended by striking ''1998.'' and inserting ''2003.''.

**SEC. 308. TECHNICAL CORRECTIONS TO CIVIL PENALTY PROVISIONS.**

Section 46301 is amended—

(1) by striking ''46302, 46303, or'' in subsection (a)(1)(A);

(2) by striking ''individual'' the first time it appears in subsection (d)(7)(A) and inserting ''person''; and

(3) by inserting ''or the Administrator'' in subsection (g) after ''Secretary''.

**SEC. 309. CRIMINAL PENALTY FOR PILOTS OPERATING IN AIR TRANSPORTATION WITHOUT AN AIRMAN'S CERTIFICATE.**

(a) IN GENERAL.—Chapter 463 of title 49, United States Code, is amended by adding at the end the following:

**''§ 46317. Criminal penalty for pilots operating in air transportation without an airman's certificate**

''(a) APPLICATION.—This section applies only to aircraft used to provide air transportation.

''(b) GENERAL CRIMINAL PENALTY.—An individual shall be fined under title 18, imprisoned for not more than 3 years, or both, if that individual—

''(1) knowingly and willfully serves or attempts to serve in any capacity as an airman without an airman's certificate authorizing the individual to serve in that capacity; or

''(2) knowingly and willfully employs for service or uses in any capacity as an airman an individual who does not have an airman's certificate authorizing the individual to serve in that capacity.

''(c) CONTROLLED SUBSTANCE CRIMINAL PENALTY.—(1) In this subsection, the term 'controlled substance' has the same meaning given that term in section 102 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802).

''(2) An individual violating subsection (b) shall be fined under title 18, imprisoned for not more than 5 years, or both, if the violation is related to transporting a controlled substance by aircraft or aiding or facilitating a controlled substance violation and that transporting, aiding, or facilitating—

''(A) is punishable by death or imprisonment of more than 1 year under a Federal or State law; or

''(B) is related to an act punishable by death or imprisonment for more than 1 year under a Federal or State law related to a controlled substance (except a law related to simple possession (as that term is used in section 46306(c)) of a controlled substance).

''(3) A term of imprisonment imposed under paragraph (2) shall be served in addition to, and not concurrently with, any other term of imprisonment imposed on the individual subject to the imprisonment.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 463 of title 49, United States Code, is amended by adding at the end the following:

''46317. Criminal penalty for pilots operating in air transportation without an airman's certificate.''.

**SEC. 310. NONDISCRIMINATORY INTERLINE INTERCONNECTION REQUIREMENTS.**

(a) IN GENERAL.—Subchapter I of chapter 417 of title 49, United States Code, is amended by adding at the end thereof the following:

**''§ 41716. Interline agreements for domestic transportation**

''(a) NONDISCRIMINATORY REQUIREMENTS.—If a major air carrier that provides air service to an essential airport facility has any agreement involving ticketing, baggage and ground handling, and terminal and gate access with another carrier, it shall provide the same services to any requesting air carrier that offers service to a community selected for participation in the program under section 41743 under similar terms and conditions and on a nondiscriminatory basis within 30 days after receiving the request, as long as the requesting air carrier meets such safety, service, financial, and maintenance requirements, if any, as the Secretary may by regulation establish consistent with public convenience and necessity. The Secretary must review any proposed agreement to determine if the requesting carrier meets operational requirements consistent with the rules, procedures, and policies of the major carrier. This agreement may be terminated by either party in the event of failure to meet the standards and conditions outlined in the agreement.''.

''(b) DEFINITIONS.—In this section the term 'essential airport facility' means a large hub airport (as defined in section 41731(a)(3)) in the contiguous 48 States in which one carrier has more than 50 percent of such airport's total annual enplanements.''.

(b) CLERICAL AMENDMENT.—The chapter analysis for chapter 417 of title 49, United States Code, is amended by inserting after the item relating to section 41715 the following:

''41716. Interline agreements for domestic transportation.''.

## TITLE IV—TITLE 49 TECHNICAL CORRECTIONS

**SEC. 401. RESTATEMENT OF 49 U.S.C. 106(g).**

(a) IN GENERAL.—Section 106(g) is amended by striking ''40113(a), (c), and (d), 40114(a), 40119, 44501(a) and (c), 44502(a)(1), (b) and (c), 44504, 44505, 44507, 44508, 44511–44513, 44701–44716, 44718(c), 44721(a), 44901, 44902, 44903(a)–(c) and (e), 44906, 44912, 44935–44937, and 44938(a) and (b), chapter 451, sections 45302–45304,'' and inserting ''40113(a), (c)–(e), 40114(a), and 40119, and chapter 445 (except sections 44501(b), 44502(a)(2)–(4), 44503, 44506, 44509, 44510, 44514, and 44515), chapter 447 (except sections 44717, 44718(a) and (b), 44719, 44720, 44721(b), 44722, and 44723), chapter 449 (except sections 44903(d), 44904, 44905, 44907–44911, 44913, 44915, and 44931–44934), chapter 451, chapter 453, sections''.

(b) TECHNICAL CORRECTION.—The amendment made by this section may not be construed as making a substantive change in the language replaced.

**SEC. 402. RESTATEMENT OF 49 U.S.C. 44909.**

Section 44909(a)(2) is amended by striking ''shall'' and inserting ''should''.

## TITLE V—MISCELLANEOUS

**SEC. 501. OVERSIGHT OF FAA RESPONSE TO YEAR 2000 PROBLEM.**

The Administrator of the Federal Aviation Administration shall report to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Transportation and Infrastructure every 3 months, in oral or written form, on electronic data processing problems associated with the year 2000 within the Administration.

**SEC. 502. CARGO COLLISION AVOIDANCE SYSTEMS DEADLINE.**

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall require by regulation that, not later than December 31, 2002, collision avoidance equipment be installed on each cargo aircraft with a payload capacity of 15,000 kilograms or more.

(b) EXTENSION.—The Administrator may extend the deadline imposed by subsection (a) for not more than 2 years if the Administrator finds that the extension is needed to promote—

(1) a safe and orderly transition to the operation of a fleet of cargo aircraft equipped with collision avoidance equipment; or

(2) other safety or public interest objectives.

(c) COLLISION AVOIDANCE EQUIPMENT.—For purposes of this section, the term ''collision avoidance equipment'' means TCAS II equipment (as defined by the Administrator), or any other similar system approved by the Administration for collision avoidance purposes.

**SEC. 503. RUNWAY SAFETY AREAS; PRECISION APPROACH PATH INDICATORS.**

Within 6 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall solicit comments on the need for—

(1) the improvement of runway safety areas; and

(2) the installation of precision approach path indicators.

**SEC. 504. AIRPLANE EMERGENCY LOCATORS.**

(a) REQUIREMENT.—Section 44712(b) is amended to read as follows:

''(b) NONAPPLICATION.—Subsection (a) does not apply to aircraft when used in—

''(1) scheduled flights by scheduled air carriers holding certificates issued by the Secretary of Transportation under subpart II of this part;

''(2) training operations conducted entirely within a 50-mile radius of the airport from which the training operations begin;

''(3) flight operations related to the design and testing, manufacture, preparation, and delivery of aircraft;

''(4) showing compliance with regulations, exhibition, or air racing; or

''(5) the aerial application of a substance for an agricultural purpose.''.

(b) COMPLIANCE.—Section 44712 is amended by redesignating subsection (c) as subsection (d), and by inserting after subsection (b) the following:

''(c) COMPLIANCE.—An aircraft is deemed to meet the requirement of subsection (a) if it is equipped with an emergency locator transmitter that transmits on the 121.5/243 megahertz frequency or the 406 megahertz frequency, or with other equipment approved by the Secretary for meeting the requirement of subsection (a).''.

(c) EFFECTIVE DATE; REGULATIONS.—

(1) REGULATIONS.—The Secretary of Transportation shall promulgate regulations under section 44712(b) of title 49, United States Code, as amended by this section not later than January 1, 2002.

(2) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002.

**SEC. 505. COUNTERFEIT AIRCRAFT PARTS.**

(a) DENIAL; REVOCATION; AMENDMENT OF CERTIFICATE.—

(1) IN GENERAL.—Chapter 447 is amended by adding at the end thereof the following:

**''§ 44725. Denial and revocation of certificate for counterfeit parts violations**

''(a) DENIAL OF CERTIFICATE.—

''(1) IN GENERAL.—Except as provided in paragraph (2) of this subsection and subsection (e)(2) of this section, the Administrator may not issue a certificate under this chapter to any person—

''(A) convicted of a violation of a law of the United States or of a State relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material; or

''(B) subject to a controlling or ownership interest of an individual convicted of such a violation.

''(2) EXCEPTION.—Notwithstanding paragraph (1), the Administrator may issue a certificate under this chapter to a person described in paragraph (1) if issuance of the certificate will facilitate law enforcement efforts.

''(b) REVOCATION OF CERTIFICATE.—

''(1) IN GENERAL.—Except as provided in subsections (f) and (g) of this section, the Administrator shall issue an order revoking a certificate issued under this chapter if the Administrator finds that the holder of the certificate, or an individual who has a controlling or ownership interest in the holder—

''(A) was convicted of a violation of a law of the United States or of a State relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material; or

''(B) knowingly carried out or facilitated an activity punishable under such a law.

''(2) NO AUTHORITY TO REVIEW VIOLATION.—In carrying out paragraph (1) of this subsection, the Administrator may not review whether a person violated such a law.

''(c) NOTICE REQUIREMENT.—Before the Administrator revokes a certificate under subsection (b), the Administrator shall—

''(1) advise the holder of the certificate of the reason for the revocation; and

''(2) provide the holder of the certificate an opportunity to be heard on why the certificate should not be revoked.

''(d) APPEAL.—The provisions of section 44710(d) apply to the appeal of a revocation order under subsection (b). For the purpose of applying that section to such an appeal, 'person' shall be substituted for 'individual' each place it appears.

''(e) AQUITTAL OR REVERSAL.—

''(1) IN GENERAL.—The Administrator may not revoke, and the Board may not affirm a revocation of, a certificate under subsection (b)(1)(B) of this section if the holder of the certificate, or the individual, is acquitted of all charges related to the violation.

''(2) REISSUANCE.—The Administrator may reissue a certificate revoked under subsection (b) of this section to the former holder if—

''(A) the former holder otherwise satisfies the requirements of this chapter for the certificate;

''(B) the former holder, or individual, is acquitted of all charges related to the violation on which the revocation was based; or

''(C) the conviction of the former holder, or individual, of the violation on which the revocation was based is reversed.

''(f) WAIVER.—The Administrator may waive revocation of a certificate under subsection (b) of this section if—

''(1) a law enforcement official of the United States Government, or of a State (with respect to violations of State law), requests a waiver; or

''(2) the waiver will facilitate law enforcement efforts.

''(g) AMENDMENT OF CERTIFICATE.—If the holder of a certificate issued under this chapter is other than an individual and the Administrator finds that—

''(1) an individual who had a controlling or ownership interest in the holder committed a violation of a law for the violation of which a certificate may be revoked under this section, or knowingly carried out or facilitated an activity punishable under such a law; and

''(2) the holder satisfies the requirements for the certificate without regard to that individual,

then the Administrator may amend the certificate to impose a limitation that the certificate will not be valid if that individual has a controlling or ownership interest in the holder. A decision by the Administrator under this subsection is not reviewable by the Board.''.

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 447 is amended by adding at the end thereof the following:

''44725. Denial and revocation of certificate for counterfeit parts violations''.

(b) PROHIBITION ON EMPLOYMENT.—Section 44711 is amended by adding at the end thereof the following:

''(c) PROHIBITION ON EMPLOYMENT OF CONVICTED COUNTERFEIT PART DEALERS.—No person subject to this chapter may employ anyone to perform a function related to the procurement, sale, production, or repair of a part or material, or the installation of a part into a civil aircraft, who has been convicted of a violation of any Federal or State law relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material.''.

**SEC. 506. FAA MAY FINE UNRULY PASSENGERS.**

(a) IN GENERAL.—Chapter 463 is amended by redesignating section 46316 as section 46317, and by inserting after section 46315 the following:

**''§ 46316. Interference with cabin or flight crew**

''(a) IN GENERAL.—An individual who interferes with the duties or responsibilities of the flight crew or cabin crew of a civil aircraft, or who poses an imminent threat to the safety of the aircraft or other individuals on the aircraft, is liable to the United States Government for a civil penalty of not more than $10,000, which shall be paid to the Federal Aviation Administration and deposited in the account established by section 45303(c).

''(b) COMPROMISE AND SETOFF.—

''(1) The Secretary of Transportation or the Administrator may compromise the amount of a civil penalty imposed under subsection (a).

''(2) The Government may deduct the amount of a civil penalty imposed or compromised under this section from amounts it owes the individual liable for the penalty.''.

(b) CONFORMING CHANGE.—The chapter analysis for chapter 463 is amended by striking the item relating to section 46316 and inserting after the item relating to section 46315 the following:

''46316. Interference with cabin or flight crew.

''46317. General criminal penalty when specific penalty not provided.''.

**SEC. 507. HIGHER STANDARDS FOR HANDICAPPED ACCESS.**

(a) ESTABLISHMENT OF HIGHER INTERNATIONAL STANDARDS.—The Secretary of Transportation shall work with appropriate international organizations and the aviation authorities of other nations to bring about their establishment of higher standards for accommodating handicapped passengers in air transportation, particularly with respect to foreign air carriers that code-share with domestic air carriers.

(b) INCREASED CIVIL PENALTIES.—Section 46301(a) is amended by—

(1) inserting ''41705,'' after ''41704,'' in paragraph (1)(A); and

(2) adding at the end thereof the following:

''(7) Unless an air carrier that violates section 41705 with respect to an individual provides that individual a credit or voucher for the purchase of a ticket on that air carrier or any affiliated air carrier in an amount (determined by the Secretary) of—

''(A) not less than $500 and not more than $2,500 for the first violation; or

''(B) not less than $2,500 and not more than $5,000 for any subsequent violation, then that air carrier is liable to the United States Government for a civil penalty, determined by the Secretary, of not more than 100 percent of the amount of the credit or voucher so determined. For purposes of this paragraph, each act of discrimination prohibited by section 41705 constitutes a separate violation of that section.''.

**SEC. 508. CONVEYANCES OF UNITED STATES GOVERNMENT LAND.**

(a) IN GENERAL.—Section 47125(a) is amended to read as follows:

''(a) CONVEYANCES TO PUBLIC AGENCIES.—

''(1) REQUEST FOR CONVEYANCE.—Except as provided in subsection (b) of this section, the Secretary of Transportation—

''(A) shall request the head of the department, agency, or instrumentality of the United States Government owning or controlling land or airspace to convey a property interest in the land or airspace to the public agency sponsoring the project or owning or controlling the airport when necessary to carry out a project under this subchapter at a public airport, to operate a public airport, or for the future development of an airport under the national plan of integrated airport systems; and

''(B) may request the head of such a department, agency, or instrumentality to convey a property interest in the land or airspace to such a public agency for a use that will complement, facilitate, or augment airport development, including the development of additional revenue from both aviation and nonaviation sources.

''(2) RESPONSE TO REQUEST FOR CERTAIN CONVEYANCES.—Within 4 months after receiving a request from the Secretary under paragraph (1), the head of the department, agency, or instrumentality shall—

''(A) decide whether the requested conveyance is consistent with the needs of the department, agency, or instrumentality;

''(B) notify the Secretary of the decision; and

''(C) make the requested conveyance if—

''(i) the requested conveyance is consistent with the needs of the department, agency, or instrumentality;

''(ii) the Attorney General approves the conveyance; and

''(iii) the conveyance can be made without cost to the United States Government.

''(3) REVERSION.—Except as provided in subsection (b), a conveyance under this subsection may only be made on the condition that the property interest conveyed reverts to the Government, at the option of the Secretary, to the extent it is not developed for an airport purpose or used consistently with the conveyance.''.

(b) RELEASE OF CERTAIN CONDITIONS.—Section 47125 is amended—

(1) by redesignating subsection (b) as subsection (c); and

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

''(b) RELEASE OF CERTAIN CONDITIONS.—The Secretary may grant a release from any term, condition, reservation, or restriction contained in any conveyance executed under this section, section 16 of the Federal Airport Act, section 23 of the Airport and Airway Development Act of 1970, or section 516 of the Airport and Airway Improvement Act of 1982, to facilitate the development of additional revenue from aeronautical and nonaeronautical sources if the Secretary—

''(1) determines that the property is no longer needed for aeronautical purposes;

''(2) determines that the property will be used solely to generate revenue for the public airport;

''(3) provides preliminary notice to the head of the department, agency, or instrumentality that conveyed the property interest at least 30 days before executing the release;

''(4) provides notice to the public of the requested release;

''(5) includes in the release a written justification for the release of the property; and

''(6) determines that release of the property will advance civil aviation in the United States.''.

(c) EFFECTIVE DATE.—Section 47125(b) of title 49, United States Code, as added by subsection (b) of this section, applies to property interests conveyed before, on, or after the date of enactment of this Act.

(d) IDITAROD AREA SCHOOL DISTRICT.—Notwithstanding any other provision of law (including section 47125 of title 49, United States Code, as amended by this section), the Administrator of the Federal Aviation Administration, or the Administrator of the General Services Administration, may convey to the Iditarod Area School District without reimbursement all right, title, and interest in 12 acres of property at Lake Minchumina, Alaska, identified by the Administrator of the Federal Aviation Administration, including the structures known as housing units 100 through 105 and as utility building 301.

**SEC. 509. FLIGHT OPERATIONS QUALITY ASSURANCE RULES.**

Not later than 90 days after the date of enactment of this Act, the Administrator shall issue a notice of proposed rulemaking to develop procedures to protect air carriers and their employees from civil enforcement action under the program known as Flight Operations Quality Assurance. Not later than 1 year after the last day of the period for public comment provided for in the notice of proposed rulemaking, the Administrator shall issue a final rule establishing those procedures.

**SEC. 510. WIDE AREA AUGMENTATION SYSTEM.**

(a) PLAN.—The Administrator shall identify or develop a plan to implement WAAS to provide navigation and landing approach capabilities for civilian use and make a determination as to whether a backup system is necessary. Until the Administrator determines that WAAS is the sole means of navigation, the Administration shall continue to develop and maintain a backup system.

(b) REPORT.—Within 6 months after the date of enactment of this Act, the Administrator shall—

(1) report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure, on the plan developed under subsection (a);

(2) submit a timetable for implementing WAAS; and

(3) make a determination as to whether WAAS will ultimately become a primary or sole means of navigation and landing approach capabilities.

(c) WAAS DEFINED.—For purposes of this section, the term ''WAAS'' means wide area augmentation system.

(d) FUNDING AUTHORIZATION.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out this section.

**SEC. 511. REGULATION OF ALASKA AIR GUIDES.**

The Administrator shall reissue the notice to operators originally published in the Federal Register on January 2, 1998, which advised Alaska guide pilots of the applicability of part 135 of title 14, Code of Federal Regulations, to guide pilot operations. In reissuing the notice, the Administrator shall provide for not less than 60 days of public comment on the Federal Aviation Administration action. If, notwithstanding the public comments, the Administrator decides to proceed with the action, the Administrator shall publish in the Federal Register a notice justifying the Administrator's decision and providing at least 90 days for compliance.

**SEC. 512. APPLICATION OF FAA REGULATIONS.**

Section 40113 is amended by adding at the end thereof the following:

''(f) APPLICATION OF CERTAIN REGULATIONS TO ALASKA.—In amending title 14, Code of Federal Regulations, in a manner affecting intrastate aviation in Alaska, the Administrator of the Federal Aviation Administration shall consider the extent to which Alaska is not served by transportation modes other than aviation, and shall establish such regulatory distinctions as the Administrator considers appropriate.''.

**SEC. 513. HUMAN FACTORS PROGRAM.**

(a) IN GENERAL.—Chapter 445 is amended by adding at the end thereof the following:

**''§ 44516. Human factors program**

''(a) OVERSIGHT COMMITTEE.—The Administrator of the Federal Aviation Administration shall establish an advanced qualification program oversight committee to advise the Administrator on the development and execution of Advanced Qualification Programs for air carriers under this section, and to encourage their adoption and implementation.

''(b) HUMAN FACTORS TRAINING.—

''(1) AIR TRAFFIC CONTROLLERS.—The Administrator shall—

''(A) address the problems and concerns raised by the National Research Council in its report 'The Future of Air Traffic Control' on air traffic control automation; and

''(B) respond to the recommendations made by the National Research Council.

''(2) PILOTS AND FLIGHT CREWS.—The Administrator shall work with the aviation industry to develop specific training curricula, within 12 months after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, to address critical safety problems, including problems of pilots—

''(A) in recovering from loss of control of the aircraft, including handling unusual attitudes and mechanical malfunctions;

''(B) in deviating from standard operating procedures, including inappropriate responses to emergencies and hazardous weather;

''(C) in awareness of altitude and location relative to terrain to prevent controlled flight into terrain; and

''(D) in landing and approaches, including nonprecision approaches and go-around procedures.

''(c) ACCIDENT INVESTIGATIONS.—The Administrator, working with the National Transportation Safety Board and representatives of the aviation industry, shall establish a process to assess human factors training as part of accident and incident investigations.

''(d) TEST PROGRAM.—The Administrator shall establish a test program in cooperation with United States air carriers to use model Jeppesen approach plates or other similar tools to improve nonprecision landing approaches for aircraft.

''(e) ADVANCED QUALIFICATION PROGRAM DEFINED.—For purposes of this section, the term 'advanced qualification program' means an alternative method for qualifying, training, certifying, and ensuring the competency of flight crews and other commercial aviation operations personnel subject to the training and evaluation requirements of Parts 121 and 135 of title 14, Code of Federal Regulations.''.

(b) AUTOMATION AND ASSOCIATED TRAINING.—The Administrator shall complete the Administration's updating of training practices for automation and associated training requirements within 12 months after the date of enactment of this Act.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 445 is amended by adding at the end thereof the following:

''44516. Human factors program.''.

**SEC. 514. INDEPENDENT VALIDATION OF FAA COSTS AND ALLOCATIONS.**

(a) INDEPENDENT ASSESSMENT.—

(1) INITIATION.—Not later than 90 days after the date of enactment of this Act, the Inspector General of the Department of Transportation shall initiate the analyses described in paragraph (2). In conducting the analyses, the Inspector General shall ensure that the analyses are carried out by 1 or more entities that are independent of the Federal Aviation Administration. The Inspector General may use the staff and resources of the Inspector General or may contract with independent entities to conduct the analyses.

(2) ASSESSMENT OF ADEQUACY AND ACCURACY OF FAA COST DATA AND ATTRIBUTIONS.—To ensure that the method for capturing and distributing the overall costs of the Federal Aviation Administration is appropriate and reasonable, the Inspector General shall conduct an assessment that includes the following:

(A)(i) Validation of Federal Aviation Administration cost input data, including an audit of the reliability of Federal Aviation Administration source documents and the integrity and reliability of the Federal Aviation Administration's data collection process.

(ii) An assessment of the reliability of the Federal Aviation Administration's system for tracking assets.

(iii) An assessment of the reasonableness of the Federal Aviation Administration's bases for establishing asset values and depreciation rates.

(iv) An assessment of the Federal Aviation Administration's system of internal controls for ensuring the consistency and reliability of reported data to begin immediately after full operational capability of the cost accounting system.

(B) A review and validation of the Federal Aviation Administration's definition of the services to which the Federal Aviation Administration ultimately attributes its costs, and the methods used to identify direct costs associated with the services.

(C) An assessment and validation of the general cost pools used by the Federal Aviation Administration, including the rationale for and reliability of the bases on which the Federal Aviation Administration proposes to allocate costs of services to users and the integrity of the cost pools as well as any other factors considered important by the Inspector General. Appropriate statistical tests shall be performed to assess relationships between costs in the various cost pools and activities and services to which the costs are attributed by the Federal Aviation Administration.

(b) DEADLINE.—The independent analyses described in this section shall be completed no later than 270 days after the contracts are awarded to the outside independent contractors. The Inspector General shall submit a final report combining the analyses done by its staff with those of the outside independent contractors to the Secretary of Transportation, the Administrator, the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives. The final report shall be submitted by the Inspector General not later than 300 days after the award of contracts.

(c) FUNDING.—There are authorized to be appropriated such sums as may be necessary for the cost of the contracted audit services authorized by this section.

**SEC. 515. WHISTLEBLOWER PROTECTION FOR FAA EMPLOYEES.**

Section 347(b)(1) of Public Law 104–50 (49 U.S.C. 106, note) is amended by striking ''protection;'' and inserting ''protection, including the provisions for investigations and enforcement as provided in chapter 12 of title 5, United States Code;''.

**SEC. 516. REPORT ON MODERNIZATION OF OCEANIC ATC SYSTEM.**

The Administrator of the Federal Aviation Administration shall report to the Congress on plans to modernize the oceanic air traffic control system, including a budget for the program, a determination of the requirements for modernization, and, if necessary, a proposal to fund the program.

**SEC. 517. REPORT ON AIR TRANSPORTATION OVERSIGHT SYSTEM.**

Beginning in 1999, the Administrator of the Federal Aviation Administration shall report biannually to the Congress on the air transportation oversight system program announced by the Administration on May 13, 1998, in detail on the training of inspectors, the number of inspectors using the system, air carriers subject to the system, and the budget for the system.

**SEC. 518. RECYCLING OF EIS.**

Notwithstanding any other provision of law to the contrary, the Secretary of Transportation may authorize the use, in whole or in part, of a completed environmental assessment or environmental impact study for a new airport construction project on the air operations area, that is substantially similar in nature to one previously constructed pursuant to the completed environmental assessment or environmental impact study in order to avoid unnecessary duplication of expense and effort, and any such authorized use shall meet all requirements of Federal law for the completion of such an assessment or study.

**SEC. 519. PROTECTION OF EMPLOYEES PROVIDING AIR SAFETY INFORMATION.**

(a) GENERAL RULE.—Chapter 421 of title 49, United States Code, is amended by adding at the end the following new subchapter:

''SUBCHAPTER III—WHISTLEBLOWER PROTECTION PROGRAM

**''§ 42121. Protection of employees providing air safety information**

''(a) DISCRIMINATION AGAINST AIRLINE EMPLOYEES.—No air carrier or contractor or subcontractor of an air carrier may discharge an employee of the air carrier or the contractor or subcontractor of an air carrier or otherwise discriminate against any such employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee)—

''(1) provided, caused to be provided, or is about to provide or cause to be provided to the Federal Government information relating to any violation or alleged violation of any order, regulation, or standard of the Federal Aviation Administration or any other provision of Federal law relating to air carrier safety under this subtitle or any other law of the United States;

''(2) has filed, caused to be filed, or is about to file or cause to be filed a proceeding relating to any violation or alleged violation of any order, regulation, or standard of the Federal Aviation Administration or any other provision of Federal law relating to air carrier safety under this subtitle or any other law of the United States;

''(3) testified or will testify in such a proceeding; or

''(4) assisted or participated or is about to assist or participate in such a proceeding.

''(b) DEPARTMENT OF LABOR COMPLAINT PROCEDURE.—

''(1) FILING AND NOTIFICATION.—

''(A) IN GENERAL.—In accordance with this paragraph, a person may file (or have a person file on behalf of that person) a complaint with the Secretary of Labor if that person believes that an air carrier or contractor or subcontractor of an air carrier discharged or otherwise discriminated against that person in violation of subsection (a).

''(B) REQUIREMENTS FOR FILING COMPLAINTS.—A complaint referred to in subparagraph (A) may be filed not later than 90 days after an alleged violation occurs. The complaint shall state the alleged violation.

''(C) NOTIFICATION.—Upon receipt of a complaint submitted under subparagraph (A), the Secretary of Labor shall notify the air carrier, contractor, or subcontractor named in the complaint and the Administrator of the Federal Aviation Administration of the—

''(i) filing of the complaint;

''(ii) allegations contained in the complaint;

''(iii) substance of evidence supporting the complaint; and

''(iv) opportunities that are afforded to the air carrier, contractor, or subcontractor under paragraph (2).

''(2) INVESTIGATION; PRELIMINARY ORDER.—

''(A) IN GENERAL.—

''(i) INVESTIGATION.—Not later than 60 days after receipt of a complaint filed under paragraph (1) and after affording the person named in the complaint an opportunity to submit to the Secretary of Labor a written response to the complaint and an opportunity to meet with a representative of the Secretary to present statements from witnesses, the Secretary of Labor shall conduct an investigation and determine whether there is reasonable cause to believe that the complaint has merit and notify in writing the complainant and the person alleged to have committed a violation of subsection (a) of the Secretary's findings.

''(ii) ORDER.—Except as provided in subparagraph (B), if the Secretary of Labor concludes that there is reasonable cause to believe that a violation of subsection (a) has occurred, the Secretary shall accompany the findings referred to in clause (i) with a preliminary order providing the relief prescribed under paragraph (3)(B).

''(iii) OBJECTIONS.—Not later than 30 days after the date of notification of findings under this paragraph, the person alleged to have committed the violation or the complainant may file objections to the findings or preliminary order and request a hearing on the record.

''(iv) EFFECT OF FILING.—The filing of objections under clause (iii) shall not operate to stay any reinstatement remedy contained in the preliminary order.

''(v) HEARINGS.—Hearings conducted pursuant to a request made under clause (iii) shall be conducted expeditiously. If a hearing is not requested during the 30-day period prescribed in clause (iii), the preliminary order shall be deemed a final order that is not subject to judicial review.

''(B) REQUIREMENTS.—

''(i) REQUIRED SHOWING BY COMPLAINANT.—The Secretary of Labor shall dismiss a complaint filed under this subsection and shall not conduct an investigation otherwise required under subparagraph (A) unless the complainant makes a prima facie showing that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

''(ii) SHOWING BY EMPLOYER.—Notwithstanding a finding by the Secretary that the complainant has made the showing required under clause (i), no investigation otherwise required under subparagraph (A) shall be conducted if the employer demonstrates, by clear and convincing evidence, that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

''(iii) CRITERIA FOR DETERMINATION BY SECRETARY.—The Secretary may determine that a violation of subsection (a) has occurred only if the complainant demonstrates that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

''(iv) PROHIBITION.—Relief may not be ordered under subparagraph (A) if the employer demonstrates by clear and convincing evidence that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

''(3) FINAL ORDER.—

''(A) DEADLINE FOR ISSUANCE; SETTLEMENT AGREEMENTS.—

''(i) IN GENERAL.—Not later than 120 days after conclusion of a hearing under paragraph (2), the Secretary of Labor shall issue a final order that—

''(I) provides relief in accordance with this paragraph; or

''(II) denies the complaint.

''(ii) SETTLEMENT AGREEMENT.—At any time before issuance of a final order under this paragraph, a proceeding under this subsection may be terminated on the basis of a settlement agreement entered into by the Secretary of Labor, the complainant, and the air carrier, contractor, or subcontractor alleged to have committed the violation.

''(B) REMEDY.—If, in response to a complaint filed under paragraph (1), the Secretary of Labor determines that a violation of subsection (a) has occurred, the Secretary of Labor shall order the air carrier, contractor, or subcontractor that the Secretary of

Labor determines to have committed the violation to—

''(i) take action to abate the violation;

''(ii) reinstate the complainant to the former position of the complainant and ensure the payment of compensation (including back pay) and the restoration of terms, conditions, and privileges associated with the employment; and

''(iii) provide compensatory damages to the complainant.

''(C) COSTS OF COMPLAINT.—If the Secretary of Labor issues a final order that provides for relief in accordance with this paragraph, the Secretary of Labor, at the request of the complainant, shall assess against the air carrier, contractor, or subcontractor named in the order an amount equal to the aggregate amount of all costs and expenses (including attorney and expert witness fees) reasonably incurred by the complainant (as determined by the Secretary of Labor) for, or in connection with, the bringing of the complaint that resulted in the issuance of the order.

''(4) REVIEW.—

''(A) APPEAL TO COURT OF APPEALS.—

''(i) IN GENERAL.—Not later than 60 days after a final order is issued under paragraph (3), a person adversely affected or aggrieved by that order may obtain review of the order in the United States court of appeals for the circuit in which the violation allegedly occurred or the circuit in which the complainant resided on the date of that violation.

''(ii) REQUIREMENTS FOR JUDICIAL REVIEW.—A review conducted under this paragraph shall be conducted in accordance with chapter 7 of title 5. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the order that is the subject of the review.

''(B) LIMITATION ON COLLATERAL ATTACK.—An order referred to in subparagraph (A) shall not be subject to judicial review in any criminal or other civil proceeding.

''(5) ENFORCEMENT OF ORDER BY SECRETARY OF LABOR.—

''(A) IN GENERAL.—If an air carrier, contractor, or subcontractor named in an order issued under paragraph (3) fails to comply with the order, the Secretary of Labor may file a civil action in the United States district court for the district in which the violation occurred to enforce that order.

''(B) RELIEF.—In any action brought under this paragraph, the district court shall have jurisdiction to grant any appropriate form of relief, including injunctive relief and compensatory damages.

''(6) ENFORCEMENT OF ORDER BY PARTIES.—

''(A) COMMENCEMENT OF ACTION.—A person on whose behalf an order is issued under paragraph (3) may commence a civil action against the air carrier, contractor, or subcontractor named in the order to require compliance with the order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce the order.

''(B) ATTORNEY FEES.—In issuing any final order under this paragraph, the court may award costs of litigation (including reasonable attorney and expert witness fees) to any party if the court determines that the awarding of those costs is appropriate.

''(c) MANDAMUS.—Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of title 28.

''(d) NONAPPLICABILITY TO DELIBERATE VIOLATIONS.—Subsection (a) shall not apply with respect to an employee of an air carrier, or contractor or subcontractor of an air carrier who, acting without direction from the air carrier (or an agent, contractor, or subcontractor of the air carrier), deliberately causes a violation of any requirement relating to air carrier safety under this subtitle or any other law of the United States.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 421 of title 49, United States Code, is amended by adding at the end the following:

''SUBCHAPTER III—WHISTLEBLOWER PROTECTION PROGRAM

''42121. Protection of employees providing air safety information.''.

(c) CIVIL PENALTY.—Section 46301(a)(1)(A) of title 49, United States Code, is amended by striking ''subchapter II of chapter 421,'' and inserting ''subchapter II or III of chapter 421,''.

**SEC. 520. IMPROVEMENTS TO AIR NAVIGATION FACILITIES.**

Section 44502(a) is amended by adding at the end thereof the following:

''(5) The Administrator may improve real property leased for air navigation facilities without regard to the costs of the improvements in relation to the cost of the lease if—

''(A) the improvements primarily benefit the government;

''(B) are essential for mission accomplishment; and

''(C) the government's interest in the improvements is protected.''.

**SEC. 521. DENIAL OF AIRPORT ACCESS TO CERTAIN AIR CARRIERS.**

Section 47107 is amended by adding at the end thereof the following:

''(q) DENIAL OF ACCESS.—

''(1) EFFECT OF DENIAL.—If an owner or operator of an airport described in paragraph (2) denies access to an air carrier described in paragraph (3), that denial shall not be considered to be unreasonable or unjust discrimination or a violation of this section.

''(2) AIRPORTS TO WHICH SUBSECTION APPLIES.—An airport is described in this paragraph if it—

''(A) is designated as a reliever airport by the Administrator of the Federal Aviation Administration;

''(B) does not have an operating certificate issued under part 139 of title 14, Code of Federal Regulations (or any subsequent similar regulations); and

''(C) is located within a 35-mile radius of an airport that has—

''(i) at least 0.05 percent of the total annual boardings in the United States; and

''(ii) current gate capacity to handle the demands of a public charter operation.

''(3) AIR CARRIERS DESCRIBED.—An air carrier is described in this paragraph if it conducts operations as a public charter under part 380 of title 14, Code of Federal Regulations (or any subsequent similar regulations) with aircraft that is designed to carry more than 9 passengers per flight.

''(4) DEFINITIONS.—In this subsection:

''(A) AIR CARRIER; AIR TRANSPORTATION; AIRCRAFT; AIRPORT.—The terms 'air carrier', 'air transportation', 'aircraft', and 'airport' have the meanings given those terms in section 40102 of this title.

''(B) PUBLIC CHARTER.—The term 'public charter' means charter air transportation for which the general public is provided in advance a schedule containing the departure location, departure time, and arrival location of the flights.''.

**SEC. 522. TOURISM.**

(a) FINDINGS.—Congress finds that—

(1) through an effective public-private partnership, Federal, State, and local governments and the travel and tourism industry can successfully market the United States as the premiere international tourist destination in the world;

(2) in 1997, the travel and tourism industry made a substantial contribution to the health of the Nation's economy, as follows:

(A) The industry is one of the Nation's largest employers, directly employing 7,000,000 Americans, throughout every region of the country, heavily concentrated among small businesses, and indirectly employing an additional 9,200,000 Americans, for a total of 16,200,000 jobs.

(B) The industry ranks as the first, second, or third largest employer in 32 States and the District of Columbia, generating a total tourism-related annual payroll of $127,900,000,000.

(C) The industry has become the Nation's third-largest retail sales industry, generating a total of $489,000,000,000 in total expenditures.

(D) The industry generated $71,700,000,000 in tax revenues for Federal, State, and local governments;

(3) the more than $98,000,000,000 spent by foreign visitors in the United States in 1997 generated a trade services surplus of more than $26,000,000,000;

(4) the private sector, States, and cities currently spend more than $1,000,000,000 annually to promote particular destinations within the United States to international visitors;

(5) because other nations are spending hundreds of millions of dollars annually to promote the visits of international tourists to their countries, the United States will miss a major marketing opportunity if it fails to aggressively compete for an increased share of international tourism expenditures as they continue to increase over the next decade;

(6) a well-funded, well-coordinated international marketing effort—combined with additional public and private sector efforts—would help small and large businesses, as well as State and local governments, share in the anticipated phenomenal growth of the international travel and tourism market in the 21st century;

(7) by making permanent the successful visa waiver pilot program, Congress can facilitate the increased flow of international visitors to the United States;

(8) Congress can increase the opportunities for attracting international visitors and enhancing their stay in the United States by—

(A) improving international signage at airports, seaports, land border crossings, highways, and bus, train, and other public transit stations in the United States;

(B) increasing the availability of multilingual tourist information; and

(C) creating a toll-free, private-sector operated, telephone number, staffed by multilingual operators, to provide assistance to international tourists coping with an emergency;

(9) by establishing a satellite system of accounting for travel and tourism, the Secretary of Commerce could provide Congress and the President with objective, thorough data that would help policymakers more accurately gauge the size and scope of the domestic travel and tourism industry and its significant impact on the health of the Nation's economy; and

(10) having established the United States National Tourism Organization under the United States National Tourism Organization Act of 1996 (22 U.S.C. 2141 et seq.) to increase the United States share of the international tourism market by developing a national travel and tourism strategy, Congress should support a long-term marketing effort and other important regulatory reform initiatives to promote increased travel to the United States for the benefit of every sector of the economy.

(b) PURPOSES.—The purposes of this section are to provide international visitor initiatives and an international marketing program to enable the United States travel and

tourism industry and every level of government to benefit from a successful effort to make the United States the premiere travel destination in the world.

(c) INTERNATIONAL VISITOR ASSISTANCE TASK FORCE.—

(1) ESTABLISHMENT.—Not later than 9 months after the date of enactment of this Act, the Secretary of Commerce shall establish an Intergovernmental Task Force for International Visitor Assistance (hereafter in this subsection referred to as the ''Task Force'').

(2) DUTIES.—The Task Force shall examine—

(A) signage at facilities in the United States, including airports, seaports, land border crossings, highways, and bus, train, and other public transit stations, and shall identify existing inadequacies and suggest solutions for such inadequacies, such as the adoption of uniform standards on international signage for use throughout the United States in order to facilitate international visitors' travel in the United States;

(B) the availability of multilingual travel and tourism information and means of disseminating, at no or minimal cost to the Government, of such information; and

(C) facilitating the establishment of a toll-free, private-sector operated, telephone number, staffed by multilingual operators, to provide assistance to international tourists coping with an emergency.

(3) MEMBERSHIP.—The Task Force shall be composed of the following members:

(A) The Secretary of Commerce.

(B) The Secretary of State.

(C) The Secretary of Transportation.

(D) The Chair of the Board of Directors of the United States National Tourism Organization.

(E) Such other representatives of other Federal agencies and private-sector entities as may be determined to be appropriate to the mission of the Task Force by the Chairman.

(4) CHAIRMAN.—The Secretary of Commerce shall be Chairman of the Task Force. The Task Force shall meet at least twice each year. Each member of the Task Force shall furnish necessary assistance to the Task Force.

(5) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Chairman of the Task Force shall submit to the President and to Congress a report on the results of the review, including proposed amendments to existing laws or regulations as may be appropriate to implement such recommendations.

(d) TRAVEL AND TOURISM INDUSTRY SATELLITE SYSTEM OF ACCOUNTING.—

(1) IN GENERAL.—The Secretary of Commerce shall complete, as soon as may be practicable, a satellite system of accounting for the travel and tourism industry.

(2) FUNDING.—To the extent any costs or expenditures are incurred under this subsection, they shall be covered to the extent funds are available to the Department of Commerce for such purpose.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) AUTHORIZATION.—Subject to paragraph (2), there are authorized to be appropriated such sums as may be necessary for the purpose of funding international promotional activities by the United States National Tourism Organization to help brand, position, and promote the United States as the premiere travel and tourism destination in the world.

(2) RESTRICTIONS ON USE OF FUNDS.—None of the funds appropriated under paragraph (1) may be used for purposes other than marketing, research, outreach, or any other activity designed to promote the United States as the premiere travel and tourism destination in the world, except that the general and administrative expenses of operating the United States National Tourism Organization shall be borne by the private sector through such means as the Board of Directors of the Organization shall determine.

(3) REPORT TO CONGRESS.—Not later than March 30 of each year in which funds are made available under subsection (a), the Secretary shall submit to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a detailed report setting forth—

(A) the manner in which appropriated funds were expended;

(B) changes in the United States market share of international tourism in general and as measured against specific countries and regions;

(C) an analysis of the impact of international tourism on the United States economy, including, as specifically as practicable, an analysis of the impact of expenditures made pursuant to this section;

(D) an analysis of the impact of international tourism on the United States trade balance and, as specifically as practicable, an analysis of the impact on the trade balance of expenditures made pursuant to this section; and

(E) an analysis of other relevant economic impacts as a result of expenditures made pursuant to this section.

**SEC. 523. EQUIVALENCY OF FAA AND EU SAFETY STANDARDS.**

The Administrator of the Federal Aviation Administration shall determine whether the Administration's safety regulations are equivalent to the safety standards set forth in European Union Directive 89/336EEC. If the Administrator determines that the standards are equivalent, the Administrator shall work with the Secretary of Commerce to gain acceptance of that determination pursuant to the Mutual Recognition Agreement between the United States and the European Union of May 18, 1998, in order to ensure that aviation products approved by the Administration are acceptable under that Directive.

**SEC. 524. SENSE OF THE SENATE ON PROPERTY TAXES ON PUBLIC-USE AIRPORTS.**

It is the sense of the Senate that—

(1) property taxes on public-use airports should be assessed fairly and equitably, regardless of the location of the owner of the airport; and

(2) the property tax recently assessed on the City of The Dalles, Oregon, as the owner and operator of the Columbia Gorge Regional/The Dalles Municipal Airport, located in the State of Washington, should be repealed.

**SEC. 525. FEDERAL AVIATION ADMINISTRATION PERSONNEL MANAGEMENT SYSTEM.**

(a) APPLICABILITY OF MERIT SYSTEMS PROTECTION BOARD PROVISIONS.—Section 347(b) of the Department of Transportation and Related Agencies Appropriations Act, 1996 (109 Stat. 460) is amended—

(1) by striking ''and'' at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting a semicolon and ''and''; and

(3) by adding at the end thereof the following:

''(8) sections 1204, 1211–1218, 1221, and 7701–7703, relating to the Merit Systems Protection Board.''.

(b) APPEALS TO MERIT SYSTEMS PROTECTION BOARD.—Section 347(c) of the Department of Transportation and Related Agencies Appropriations Act, 1996 is amended to read as follows:

''(c) APPEALS TO MERIT SYSTEMS PROTECTION BOARD.—Under the new personnel management system developed and implemented under subsection (a), an employee of the Federal Aviation Administration may submit an appeal to the Merit Systems Protection Board and may seek judicial review of any resulting final orders or decisions of the Board from any action that was appealable to the Board under any law, rule, or regulation as of March 31, 1996.''.

**SEC 526. AIRCRAFT AND AVIATION COMPONENT REPAIR AND MAINTENANCE ADVISORY PANEL.**

(a) ESTABLISHMENT OF PANEL.—The Administrator of the Federal Aviation Administration—

(1) shall establish an Aircraft Repair and Maintenance Advisory Panel to review issues related to the use and oversight of aircraft and aviation component repair and maintenance facilities located within, or outside of, the United States; and

(2) may seek the advice of the panel on any issue related to methods to improve the safety of domestic or foreign contract aircraft and aviation component repair facilities.

(b) MEMBERSHIP.—The panel shall consist of—

(1) 8 members, appointed by the Administrator as follows:

(A) 3 representatives of labor organizations representing aviation mechanics;

(B) 1 representative of cargo air carriers;

(C) 1 representative of passenger air carriers;

(D) 1 representative of aircraft and aviation component repair stations;

(E) 1 representative of aircraft manufacturers; and

(F) 1 representative of the aviation industry not described in the preceding subparagraphs;

(2) 1 representative from the Department of Transportation, designated by the Secretary of Transportation;

(3) 1 representative from the Department of State, designated by the Secretary of State; and

(4) 1 representative from the Federal Aviation Administration, designated by the Administrator.

(c) RESPONSIBILITIES.—The panel shall—

(1) determine how much aircraft and aviation component repair work and what type of aircraft and aviation component repair work is being performed by aircraft and aviation component repair stations located within, and outside of, the United States to better understand and analyze methods to improve the safety and oversight of such facilities; and

(2) provide advice and counsel to the Administrator with respect to aircraft and aviation component repair work performed by those stations, staffing needs, and any safety issues associated with that work.

(d) FAA TO REQUEST INFORMATION FROM FOREIGN AIRCRAFT REPAIR STATIONS.—

(1) COLLECTION OF INFORMATION.—The Administrator shall by regulation request aircraft and aviation component repair stations located outside the United States to submit such information as the Administrator may require in order to assess safety issues and enforcement actions with respect to the work performed at those stations on aircraft used by United States air carriers.

(2) DRUG AND ALCOHOL TESTING INFORMATION.—Included in the information the Administrator requests under paragraph (1) shall be information on the existence and administration of employee drug and alcohol testing programs in place at such stations, if applicable.

(3) DESCRIPTION OF WORK DONE.—Included in the information the Administrator requests under paragraph (1) shall be information on

the amount and type of aircraft and aviation component repair work performed at those stations on aircraft registered in the United States.

(e) FAA TO REQUEST INFORMATION ABOUT DOMESTIC AIRCRAFT REPAIR STATIONS.—If the Administrator determines that information on the volume of the use of domestic aircraft and aviation component repair stations is needed in order to better utilize Federal Aviation Administration resources, the Administrator may—

(1) require United States air carriers to submit the information described in subsection (d) with respect to their use of contract and noncontract aircraft and aviation component repair facilities located in the United States; and

(2) obtain information from such stations about work performed for foreign air carriers.

(f) FAA TO MAKE INFORMATION AVAILABLE TO PUBLIC.—The Administrator shall make any information received under subsection (d) or (e) available to the public.

(g) TERMINATION.—The panel established under subsection (a) shall terminate on the earlier of—

(1) the date that is 2 years after the date of enactment of this Act; or

(2) December 31, 2000.

(h) ANNUAL REPORT TO CONGRESS.—The Administrator shall report annually to the Congress on the number and location of air agency certificates that were revoked, suspended, or not renewed during the preceding year.

(i) DEFINITIONS.—Any term used in this section that is defined in subtitle VII of title 49, United States Code, has the meaning given that term in that subtitle.

**SEC. 527. REPORT ON ENHANCED DOMESTIC AIRLINE COMPETITION.**

(a) FINDINGS.—The Congress makes the following findings:

(1) There has been a reduction in the level of competition in the domestic airline business brought about by mergers, consolidations, and proposed domestic alliances.

(2) Foreign citizens and foreign air carriers may be willing to invest in existing or startup airlines if they are permitted to acquire a larger equity share of a United States airline.

(b) STUDY.—The Secretary of Transportation, after consulting the appropriate Federal agencies, shall study and report to the Congress not later than December 31, 1998, on the desirability and implications of—

(1) decreasing the foreign ownership provision in section 40102(a)(15) of title 49, United States Code, to 51 percent from 75 percent; and

(2) changing the definition of air carrier in section 40102(a)(2) of such title by substituting ''a company whose principal place of business is in the United States'' for ''a citizen of the United States''.

**SEC. 528. AIRCRAFT SITUATIONAL DISPLAY DATA.**

(a) IN GENERAL.—A memorandum of agreement between the Administrator of the Federal Aviation Administration and any person directly that obtains aircraft situational display data from the Administration shall require that—

(1) the person demonstrate to the satisfaction of the Administrator that such person is capable of selectively blocking the display of any aircraft-situation-display-to-industry derived data related to any identified aircraft registration number; and

(2) the person agree to block selectively the aircraft registration numbers of any aircraft owner or operator upon the Administration's request.

(b) EXISTING MEMORANDA TO BE CONFORMED.—The Administrator shall conform any memoranda of agreement, in effect on the date of enactment of this Act, between the Administration and a person under which that person obtains such data to incorporate the requirements of subsection (a) within 30 days after that date.

**SEC. 529. TO EXPRESS THE SENSE OF THE SENATE CONCERNING A BILATERAL AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM REGARDING CHARLOTTE-LONDON ROUTE.**

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term ''air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(2) BERMUDA II AGREEMENT.—The term ''Bermuda II Agreement'' means the Agreement Between the United States of America and United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed at Bermuda on July 23, 1977 (TIAS 8641).

(3) CHARLOTTE-LONDON (GATWICK) ROUTE.—The term ''Charlotte-London (Gatwick) route'' means the route between Charlotte, North Carolina, and the Gatwick Airport in London, England.

(4) FOREIGN AIR CARRIER.—The term ''foreign air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(b) FINDINGS.—Congress finds that—

(1) under the Bermuda II Agreement, the United States has a right to designate an air carrier of the United States to serve the Charlotte-London (Gatwick) route;

(2) the Secretary awarded the Charlotte-London (Gatwick) route to US Airways on September 12, 1997, and on May 7, 1998, US Airways announced plans to launch nonstop service in competition with the monopoly held by British Airways on the route and to provide convenient single-carrier one-stop service to the United Kingdom from dozens of cities in North Carolina and South Carolina and the surrounding region;

(3) US Airways was forced to cancel service for the Charlotte-London (Gatwick) route for the summer of 1998 and the following winter because the Government of the United Kingdom refused to provide commercially viable access to Gatwick Airport;

(4) British Airways continues to operate monopoly service on the Charlotte-London (Gatwick) route and recently upgraded the aircraft for that route to B–777 aircraft;

(5) British Airways had been awarded an additional monopoly route between London England and Denver, Colorado, resulting in a total of 10 monopoly routes operated by British Airways between the United Kingdom and points in the United States;

(6) monopoly service results in higher fares to passengers; and

(7) US Airways is prepared, and officials of the air carrier are eager, to initiate competitive air service on the Charlotte-London (Gatwick) route as soon as the Government of the United Kingdom provides commercially viable access to the Gatwick Airport.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary should—

(1) act vigorously to ensure the enforcement of the rights of the United States under the Bermuda II Agreement;

(2) intensify efforts to obtain the necessary assurances from the Government of the United Kingdom to allow an air carrier of the United States to operate commercially viable, competitive service for the Charlotte-London (Gatwick) route; and

(3) ensure that the rights of the Government of the United States and citizens and air carriers of the United States are enforced under the Bermuda II Agreement before seeking to renegotiate a broader bilateral agreement to establish additional rights for air carriers of the United States and foreign air carriers of the United Kingdom.

**SEC. 530. TO EXPRESS THE SENSE OF THE SENATE CONCERNING A BILATERAL AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM REGARDING CLEVELAND-LONDON ROUTE.**

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term ''air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(2) AIRCRAFT.—The term ''aircraft'' has the meaning given that term in section 40102 of title 49, United States Code.

(3) AIR TRANSPORTATION.—The term ''air transportation'' has the meaning given that term in section 40102 of title 49, United States Code.

(4) BERMUDA II AGREEMENT.—The term ''Bermuda II Agreement'' means the Agreement Between the United States of America and United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed at Bermuda on July 23, 1977 (TIAS 8641).

(5) CLEVELAND-LONDON (GATWICK) ROUTE.—The term ''Cleveland-London (Gatwick) route'' means the route between Cleveland, Ohio, and the Gatwick Airport in London, England.

(6) FOREIGN AIR CARRIER.—The term ''foreign air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(8) SLOT.—The term ''slot'' means a reservation for an instrument flight rule takeoff or landing by an air carrier of an aircraft in air transportation.

(b) FINDINGS.—Congress finds that—

(1) under the Bermuda II Agreement, the United States has a right to designate an air carrier of the United States to serve the Cleveland-London (Gatwick) route;

(2)(A) on December 3, 1996, the Secretary awarded the Cleveland-London (Gatwick) route to Continental Airlines;

(B) on June 15, 1998, Continental Airlines announced plans to launch nonstop service on that route on February 19, 1999, and to provide single-carrier one-stop service between London, England (from Gatwick Airport) and dozens of cities in Ohio and the surrounding region; and

(C) on August 4, 1998, the Secretary tentatively renewed the authority of Continental Airlines to carry out the nonstop service referred to in subparagraph (B) and selected Cleveland, Ohio, as a new gateway under the Bermuda II Agreement;

(3) unless the Government of the United Kingdom provides Continental Airlines commercially viable access to Gatwick Airport, Continental Airlines will not be able to initiate service on the Cleveland-London (Gatwick) route; and

(4) Continental Airlines is prepared to initiate competitive air service on the Cleveland-London (Gatwick) route when the Government of the United Kingdom provides commercially viable access to the Gatwick Airport.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary should—

(1) act vigorously to ensure the enforcement of the rights of the United States under the Bermuda II Agreement;

(2) intensify efforts to obtain the necessary assurances from the Government of the United Kingdom to allow an air carrier of the United States to operate commercially viable, competitive service for the Cleveland-London (Gatwick) route; and

(3) ensure that the rights of the Government of the United States and citizens and

air carriers of the United States are enforced under the Bermuda II Agreement before seeking to renegotiate a broader bilateral agreement to establish additional rights for air carriers of the United States and foreign air carriers of the United Kingdom, including the right to commercially viable competitive slots at Gatwick Airport and Heathrow Airport in London, England, for air carriers of the United States.

**SEC. 531. ALLOCATION OF TRUST FUND FUNDING.**

(a) DEFINITIONS.—In this section:

(1) AIRPORT AND AIRWAY TRUST FUND.—The term ''Airport and Airway Trust Fund'' means the trust fund established under section 9502 of the Internal Revenue Code of 1986.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(3) STATE.—The term ''State'' means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

(4) STATE DOLLAR CONTRIBUTION TO THE AIRPORT AND AIRWAY TRUST FUND.—The term ''State dollar contribution to the Airport and Airway Trust Fund'', with respect to a State and fiscal year, means the amount of funds equal to the amounts transferred to the Airport and Airway Trust Fund under section 9502 of the Internal Revenue Code of 1986 that are equivalent to the taxes described in section 9502(b) of the Internal Revenue Code of 1986 that are collected in that State.

(b) REPORTING.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, and annually thereafter, the Secretary of the Treasury shall report to the Secretary the amount equal to the amount of taxes collected in each State during the preceding fiscal year that were transferred to the Airport and Airway Trust Fund.

(2) REPORT BY SECRETARY.—Not later than 90 days after the date of enactment of this Act, and annually thereafter, the Secretary shall prepare and submit to Congress a report that provides, for each State, for the preceding fiscal year—

(A) the State dollar contribution to the Airport and Airway Trust Fund; and

(B) the amount of funds (from funds made available under section 48103 of title 49, United States Code) that were made available to the State (including any political subdivision thereof) under chapter 471 of title 49, United States Code.

**SEC. 532. TAOS PUEBLO AND BLUE LAKES WILDERNESS AREA DEMONSTRATION PROJECT.**

Within 18 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall work with the Taos Pueblo to study the feasibility of conducting a demonstration project to require all aircraft that fly over Taos Pueblo and the Blue Lake Wilderness Area of Taos Pueblo, New Mexico, to maintain a mandatory minimum altitude of at least 5,000 feet above ground level.

**SEC. 533. AIRLINE MARKETING DISCLOSURE.**

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term ''air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(2) AIR TRANSPORTATION.—The term ''air transportation'' has the meaning given that term in section 40102 of title 49, United States Code.

(b) FINAL REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Transportation shall promulgate final regulations to provide for improved oral and written disclosure to each consumer of air transportation concerning the corporate name of the air carrier that provides the air transportation purchased by that consumer. In issuing the regulations issued under this subsection, the Secretary shall take into account the proposed regulations issued by the Secretary on January 17, 1995, published at page 3359, volume 60, Federal Register.

**SEC. 534. CERTAIN AIR TRAFFIC CONTROL TOWERS.**

Notwithstanding any other provision of law, regulation, intergovernmental circular advisories or other process, or any judicial proceeding or ruling to the contrary, the Federal Aviation Administration shall use such funds as necessary to contract for the operation of air traffic control towers, located in Salisbury, Maryland; Bozeman, Montana; and Boca Raton, Florida: *Provided*, That the Federal Aviation Administration has made a prior determination of eligibility for such towers to be included in the contract tower program.

**SEC. 535. COMPENSATION UNDER THE DEATH ON THE HIGH SEAS ACT.**

(a) IN GENERAL.—Section 2 of the Death on the High Seas Act (46 U.S.C. App. 762) is amended by—

(1) inserting ''(a) IN GENERAL.—'' before ''The recovery''; and

(2) adding at the end thereof the following:

''(b) COMMERCIAL AVIATION.—

''(1) IN GENERAL.—If the death was caused during commercial aviation, additional compensation for nonpecuniary damages for wrongful death of a decedent is recoverable in a total amount, for all beneficiaries of that decedent, that shall not exceed the greater of the pecuniary loss sustained or a sum total of $750,000 from all defendants for all claims. Punitive damages are not recoverable.

''(2) INFLATION ADJUSTMENT.—The $750,000 amount shall be adjusted, beginning in calendar year 2000 by the increase, if any, in the Consumer Price Index for all urban consumers for the prior year over the Consumer Price Index for all urban consumers for the calendar year 1998.

''(3) NONPECUNIARY DAMAGES.—For purposes of this subsection, the term 'nonpecuniary damages' means damages for loss of care, comfort, and companionship.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to any death caused during commercial aviation occurring after July 16, 1996.

## TITLE VI—AVIATION COMPETITION PROMOTION

**SEC. 601. PURPOSE.**

The purpose of this title is to facilitate, through a 4-year pilot program, incentives and projects that will help up to 40 communities or consortia of communities to improve their access to the essential airport facilities of the national air transportation system through public-private partnerships and to identify and establish ways to overcome the unique policy, economic, geographic, and marketplace factors that may inhibit the availability of quality, affordable air service to small communities.

**SEC. 602. ESTABLISHMENT OF SMALL COMMUNITY AVIATION DEVELOPMENT PROGRAM.**

Section 102 is amended by adding at the end thereof the following:

''(g) SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM.—

''(1) ESTABLISHMENT.—The Secretary shall establish a 4-year pilot aviation development program to be administered by a program director designated by the Secretary.

''(2) FUNCTIONS.—The program director shall—

''(A) function as a facilitator between small communities and air carriers;

''(B) carry out section 41743 of this title;

''(C) carry out the airline service restoration program under sections 41744, 41745, and 41746 of this title;

''(D) ensure that the Bureau of Transportation Statistics collects data on passenger information to assess the service needs of small communities;

''(E) work with and coordinate efforts with other Federal, State, and local agencies to increase the viability of service to small communities and the creation of aviation development zones; and

''(F) provide policy recommendations to the Secretary and the Congress that will ensure that small communities have access to quality, affordable air transportation services.

''(3) REPORTS.—The program director shall provide an annual report to the Secretary and the Congress beginning in 1999 that—

''(A) analyzes the availability of air transportation services in small communities, including, but not limited to, an assessment of the air fares charged for air transportation services in small communities compared to air fares charged for air transportation services in larger metropolitan areas and an assessment of the levels of service, measured by types of aircraft used, the availability of seats, and scheduling of flights, provided to small communities;

''(B) identifies the policy, economic, geographic and marketplace factors that inhibit the availability of quality, affordable air transportation services to small communities; and

''(C) provides policy recommendations to address the policy, economic, geographic, and marketplace factors inhibiting the availability of quality, affordable air transportation services to small communities.''.

**SEC. 603. COMMUNITY-CARRIER AIR SERVICE PROGRAM.**

(a) IN GENERAL.—Subchapter II of chapter 417 is amended by adding at the end thereof the following:

**''§ 41743. Air service program for small communities**

''(a) COMMUNITIES PROGRAM.—Under advisory guidelines prescribed by the Secretary of Transportation, a small community or a consortia of small communities or a State may develop an assessment of its air service requirements, in such form as the program director designated by the Secretary under section 102(g) may require, and submit the assessment and service proposal to the program director.

''(b) SELECTION OF PARTICIPANTS.—In selecting community programs for participation in the communities program under subsection (a), the program director shall apply criteria, including geographical diversity and the presentation of unique circumstances, that will demonstrate the feasibility of the program. For purposes of this subsection, the application of geographical diversity criteria means criteria that—

''(1) will promote the development of a national air transportation system; and

''(2) will involve the participation of communities in all regions of the country.

''(c) CARRIERS PROGRAM.—The program director shall invite part 121 air carriers and regional/commuter carriers (as such terms are defined in section 41715(d) of this title) to offer service proposals in response to, or in conjunction with, community aircraft service assessments submitted to the office under subsection (a). A service proposal under this paragraph shall include—

''(1) an assessment of potential daily passenger traffic, revenues, and costs necessary for the carrier to offer the service;

''(2) a forecast of the minimum percentage of that traffic the carrier would require the community to garner in order for the carrier to start up and maintain the service; and

''(3) the costs and benefits of providing jet service by regional or other jet aircraft.

''(d) PROGRAM SUPPORT FUNCTION.—The program director shall work with small communities and air carriers, taking into account their proposals and needs, to facilitate the initiation of service. The program director—

''(1) may work with communities to develop innovative means and incentives for the initiation of service;

''(2) may obligate funds appropriated under section 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 to carry out this section;

''(3) shall continue to work with both the carriers and the communities to develop a combination of community incentives and carrier service levels that—

''(A) are acceptable to communities and carriers; and

''(B) do not conflict with other Federal or State programs to facilitate air transportation to the communities;

''(4) designate an airport in the program as an Air Service Development Zone and work with the community on means to attract business to the area surrounding the airport, to develop land use options for the area, and provide data, working with the Department of Commerce and other agencies;

''(5) take such other action under this chapter as may be appropriate.

''(e) LIMITATIONS.—

''(1) COMMUNITY SUPPORT.—The program director may not provide financial assistance under subsection (c)(2) to any community unless the program director determines that—

''(A) a public-private partnership exists at the community level to carry out the community's proposal;

''(B) the community will make a substantial financial contribution that is appropriate for that community's resources, but of not less than 25 percent of the cost of the project in any event;

''(C) the community has established an open process for soliciting air service proposals; and

''(D) the community will accord similar benefits to air carriers that are similarly situated.

''(2) AMOUNT.—The program director may not obligate more than $30,000,000 of the amounts appropriated under 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 over the 4 years of the program.

''(3) NUMBER OF PARTICIPANTS.—The program established under subsection (a) shall not involve more than 40 communities or consortia of communities.

''(f) REPORT.—The program director shall report through the Secretary to the Congress annually on the progress made under this section during the preceding year in expanding commercial aviation service to smaller communities.

**''§ 41744. Pilot program project authority**

''(a) IN GENERAL.—The program director designated by the Secretary of Transportation under section 102(g)(1) shall establish a 4-year pilot program—

''(1) to assist communities and States with inadequate access to the national transportation system to improve their access to that system; and

''(2) to facilitate better air service link-ups to support the improved access.

''(b) PROJECT AUTHORITY.—Under the pilot program established pursuant to subsection (a), the program director may—

''(1) out of amounts appropriated under section 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, provide financial assistance by way of grants to small communities or consortia of small communities under section 41743 of up to $500,000 per year; and

''(2) take such other action as may be appropriate.

''(c) OTHER ACTION.—Under the pilot program established pursuant to subsection (a), the program director may facilitate service by—

''(1) working with airports and air carriers to ensure that appropriate facilities are made available at essential airports;

''(2) collecting data on air carrier service to small communities; and

''(3) providing policy recommendations to the Secretary to stimulate air service and competition to small communities.

''(d) ADDITIONAL ACTION.—Under the pilot program established pursuant to subsection (a), the Secretary shall work with air carriers providing service to participating communities and major air carriers serving large hub airports (as defined in section 41731(a)(3)) to facilitate joint fare arrangements consistent with normal industry practice.

**''§ 41745. Assistance to communities for service**

''(a) IN GENERAL.—Financial assistance provided under section 41743 during any fiscal year as part of the pilot program established under section 41744(a) shall be implemented for not more than—

''(1) 4 communities within any State at any given time; and

''(2) 40 communities in the entire program at any time.

For purposes of this subsection, a consortium of communities shall be treated as a single community.

''(b) ELIGIBILITY.—In order to participate in a pilot project under this subchapter, a State, community, or group of communities shall apply to the Secretary in such form and at such time, and shall supply such information, as the Secretary may require, and shall demonstrate to the satisfaction of the Secretary that—

''(1) the applicant has an identifiable need for access, or improved access, to the national air transportation system that would benefit the public;

''(2) the pilot project will provide material benefits to a broad section of the travelling public, businesses, educational institutions, and other enterprises whose access to the national air transportation system is limited;

''(3) the pilot project will not impede competition; and

''(4) the applicant has established, or will establish, public-private partnerships in connection with the pilot project to facilitate service to the public.

''(c) COORDINATION WITH OTHER PROVISIONS OF SUBCHAPTER.—The Secretary shall carry out the 4-year pilot program authorized by this subchapter in such a manner as to complement action taken under the other provisions of this subchapter. To the extent the Secretary determines to be appropriate, the Secretary may adopt criteria for implementation of the 4-year pilot program that are the same as, or similar to, the criteria developed under the preceding sections of this subchapter for determining which airports are eligible under those sections. The Secretary shall also, to the extent possible, provide incentives where no direct, viable, and feasible alternative service exists, taking into account geographical diversity and appropriate market definitions.

''(d) MAXIMIZATION OF PARTICIPATION.—The Secretary shall structure the program established pursuant to section 41744(a) in a way designed to—

''(1) permit the participation of the maximum feasible number of communities and States over a 4-year period by limiting the number of years of participation or otherwise; and

''(2) obtain the greatest possible leverage from the financial resources available to the Secretary and the applicant by—

''(A) progressively decreasing, on a project-by-project basis, any Federal financial incentives provided under this chapter over the 4-year period; and

''(B) terminating as early as feasible Federal financial incentives for any project determined by the Secretary after its implementation to be—

''(i) viable without further support under this subchapter; or

''(ii) failing to meet the purposes of this chapter or criteria established by the Secretary under the pilot program.

''(e) SUCCESS BONUS.—If Federal financial incentives to a community are terminated under subsection (d)(2)(B) because of the success of the program in that community, then that community may receive a one-time incentive grant to ensure the continued success of that program.

''(f) PROGRAM TO TERMINATE IN 4 YEARS.—No new financial assistance may be provided under this subchapter for any fiscal year beginning more than 4 years after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

**''§ 41746. Additional authority**

''In carrying out this chapter, the Secretary—

''(1) may provide assistance to States and communities in the design and application phase of any project under this chapter, and oversee the implementation of any such project;

''(2) may assist States and communities in putting together projects under this chapter to utilize private sector resources, other Federal resources, or a combination of public and private resources;

''(3) may accord priority to service by jet aircraft;

''(4) take such action as may be necessary to ensure that financial resources, facilities, and administrative arrangements made under this chapter are used to carry out the purposes of title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998; and

''(5) shall work with the Federal Aviation Administration on airport and air traffic control needs of communities in the program.

**''§ 41747. Air traffic control services pilot program**

''(a) IN GENERAL.—To further facilitate the use of, and improve the safety at, small airports, the Administrator of the Federal Aviation Administration shall establish a pilot program to contract for Level I air traffic control services at 20 facilities not eligible for participation in the Federal Contract Tower Program.

''(b) PROGRAM COMPONENTS.—In carrying out the pilot program established under subsection (a), the Administrator may—

''(1) utilize current, actual, site-specific data, forecast estimates, or airport system plan data provided by a facility owner or operator;

''(2) take into consideration unique aviation safety, weather, strategic national interest, disaster relief, medical and other emergency management relief services, status of regional airline service, and related factors at the facility;

''(3) approve for participation any facility willing to fund a pro rata share of the operating costs used by the Federal Aviation Administration to calculate, and, as necessary, a 1:1 benefit-to-cost ratio, as required for eligibility under the Federal Contract Tower Program; and

''(4) approve for participation no more than 3 facilities willing to fund a pro rata share of construction costs for an air traffic control tower so as to achieve, at a minimum, a 1:1 benefit-to-cost ratio, as required for eligibility under the Federal Contract Tower Program, and for each of such facilities the Federal share of construction costs does not exceed $1,000,000.

''(c) REPORT.—One year before the pilot program established under subsection (a) terminates, the Administrator shall report to the Congress on the effectiveness of the program, with particular emphasis on the safety and economic benefits provided to program participants and the national air transportation system.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 is amended by inserting after the item relating to section 41742 the following:

''41743. Air service program for small communities.
''41744. Pilot program project authority.
''41745. Assistance to communities for service.
''41746. Additional authority.
''41747. Air traffic control services pilot program.''.

(c) WAIVER OF LOCAL CONTRIBUTION.—Section 41736(b) is amended by inserting after paragraph (4) the following:

''Paragraph (4) does not apply to any community approved for service under this section during the period beginning October 1, 1991, and ending December 31, 1997.''.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out section 41747 of title 49, United States Code.

**SEC. 604. AUTHORIZATION OF APPROPRIATIONS.**

To carry out sections 41743 through 41746 of title 49, United States Code, for the 4 fiscal-year period beginning with fiscal year 1999—

(1) there are authorized to be appropriated to the Secretary of Transportation not more than $10,000,000; and

(2) not more than $20,000,000 shall be made available, if available, to the Secretary for obligation and expenditure out of the account established under section 45303(a) of title 49, United States Code.

To the extent that amounts are not available in such account, there are authorized to be appropriated such sums as may be necessary to provide the amount authorized to be obligated under paragraph (2) to carry out those sections for that 4 fiscal-year period.

**SEC. 605. MARKETING PRACTICES.**

Section 41712 is amended by—

(1) inserting ''(a) IN GENERAL.—'' before ''On''; and

(2) adding at the end thereof the following:

''(b) MARKETING PRACTICES THAT ADVERSELY AFFECT SERVICE TO SMALL OR MEDIUM COMMUNITIES.—Within 180 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, the Secretary shall review the marketing practices of air carriers that may inhibit the availability of quality, affordable air transportation services to small and medium-sized communities, including—

''(1) marketing arrangements between airlines and travel agents;

''(2) code-sharing partnerships;

''(3) computer reservation system displays;

''(4) gate arrangements at airports;

''(5) exclusive dealing arrangments; and

''(6) any other marketing practice that may have the same effect.

''(c) REGULATIONS.—If the Secretary finds, after conducting the review required by subsection (b), that marketing practices inhibit the availability of such service to such communities, then, after public notice and an opportunity for comment, the Secretary shall promulgate regulations that address the problem.''.

**SEC. 606. SLOT EXEMPTIONS FOR NONSTOP REGIONAL JET SERVICE.**

(a) IN GENERAL.—Subchapter I of chapter 417 is amended by—

(1) redesignating section 41715 as 41716; and

(2) inserting after section 41714 the following:

**''§ 41715. Slot exemptions for nonstop regional jet service.**

''(a) IN GENERAL.—Within 90 days after receiving an application for an exemption to provide nonstop regional jet air service between—

''(1) an airport with fewer than 2,000,000 annual enplanements; and

''(2) a high density airport subject to the exemption authority under section 41714(a),

the Secretary of Transportation shall grant or deny the exemption in accordance with established principles of safety and the promotion of competition.

''(b) EXISTING SLOTS TAKEN INTO ACCOUNT.—In deciding to grant or deny an exemption under subsection (a), the Secretary may take into consideration the slots and slot exemptions already used by the applicant.

''(c) CONDITIONS.—The Secretary may grant an exemption to an air carrier under subsection (a)—

''(1) for a period of not less than 12 months;

''(2) for a minimum of 2 daily roundtrip flights; and

''(3) for a maximum of 3 daily roundtrip flights.

''(d) CHANGE OF NONHUB, SMALL HUB, OR MEDIUM HUB AIRPORT; JET AIRCRAFT.—The Secretary may, upon application made by an air carrier operating under an exemption granted under subsection (a)—

''(1) authorize the air carrier or an affiliated air carrier to upgrade service under the exemption to a larger jet aircraft; or

''(2) authorize an air carrier operating under such an exemption to change the nonhub airport or small hub airport for which the exemption was granted to provide the same service to a different airport that is smaller than a large hub airport (as defined in section 47134(d)(2)) if—

''(A) the air carrier has been operating under the exemption for a period of not less than 12 months; and

''(B) the air carrier can demonstrate unmitigatable losses.

''(e) FOREFEITURE FOR MISUSE.—Any exemption granted under subsection (a) shall be terminated immediately by the Secretary if the air carrier to which it was granted uses the slot for any purpose other than the purpose for which it was granted or in violation of the conditions under which it was granted.

''(f) RESTORATION OF AIR SERVICE.—To the extent that—

''(1) slots were withdrawn from an air carrier under section 41714(b);

''(2) the withdrawal of slots under that section resulted in a net loss of slots; and

''(3) the net loss of slots and slot exemptions resulting from the withdrawal had an adverse effect on service to nonhub airports and in other domestic markets,

the Secretary shall give priority consideration to the request of any air carrier from which slots were withdrawn under that section for an equivalent number of slots at the airport where the slots were withdrawn. No priority consideration shall be given under this subsection to an air carrier described in paragraph (1) when the net loss of slots and slot exemptions is eliminated.

''(g) PRIORITY TO NEW ENTRANTS AND LIMITED INCUMBENT CARRIERS.—

''(1) IN GENERAL.—In granting slot exemptions under this section the Secretary shall give priority consideration to an application from an air carrier that, as of July 1, 1998, operated or held fewer than 20 slots or slot exemptions at the high density airport for which it filed an exemption application.

''(2) LIMITATION.—No priority may be given under paragraph (1) to an air carrier that, at the time of application, operates or holds 20 or more slots and slot exemptions at the airport for which the exemption application is filed.

''(3) AFFILIATED CARRIERS.—The Secretary shall treat all commuter air carriers that have cooperative agreements, including code-share agreements, with other air carriers equally for determining eligibility for exemptions under this section regardless of the form of the corporate relationship between the commuter air carrier and the other air carrier.

''(h) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

''(i) REGIONAL JET DEFINED.—In this section, the term 'regional jet' means a passenger, turbofan-powered aircraft carrying not fewer than 30 and not more than 50 passengers.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 40102 is amended by inserting after paragraph (28) the following:

''(28A) LIMITED INCUMBENT AIR CARRIER.—The term 'limited incumbent air carrier' has the meaning given that term in subpart S of part 93 of title 14, Code of Federal Regulations, except that '20' shall be substituted for '12' in sections 93.213(a)(5), 93.223(c)(3), and 93.226(h) as such sections were in effect on August 1, 1998.''.

(2) The chapter analysis for chapter 417 is amended by striking the item relating to section 41716 and inserting the following:

''41715. Slot exemptions for nonstop regional jet service.
''41716. Air service termination notice.''.

**SEC. 607. EXEMPTIONS TO PERIMETER RULE AT RONALD REAGAN WASHINGTON NATIONAL AIRPORT.**

(a) IN GENERAL.—Subchapter I of chapter 417, as amended by section 606, is amended by—

(1) redesignating section 41716 as 41717; and

(2) inserting after section 41715 the following:

**''§ 41716. Special Rules for Ronald Reagan Washington National Airport**

''(a) BEYOND-PERIMETER EXEMPTIONS.—The Secretary shall by order grant exemptions from the application of sections 49104(a)(5), 49109, 49111(e), and 41714 of this title to air carriers to operate limited frequencies and aircraft on select routes between Ronald Reagan Washington National Airport and domestic hub airports of such carriers and exemptions from the requirements of subparts K and S of part 93, Code of Federal Regulations, if the Secretary finds that the exemptions will—

''(1) provide air transportation service with domestic network benefits in areas beyond the perimeter described in that section;

''(2) increase competition in multiple markets;

''(3) not reduce travel options for communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code; and

''(4) not result in meaningfully increased travel delays.

''(b) WITHIN-PERIMETER EXEMPTIONS.—The Secretary shall by order grant exemptions from the requirements of sections 49104(a)(5),

49111(e), and 41714 of this title and subparts K and S of part 93 of title 14, Code of Federal Regulations, to commuter air carriers for service to airports with fewer than 2,000,000 annual enplanements within the perimeter established for civil aircraft operations at Ronald Reagan Washington National Airport under section 49109. The Secretary shall develop criteria for distributing slot exemptions for flights within the perimeter to such airports under this paragraph in a manner consistent with the promotion of air transportation.

''(c) LIMITATIONS.—

''(1) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

''(2) GENERAL EXEMPTIONS.—The exemptions granted under subsections (a) and (b) may not increase the number of operations at Ronald Reagan Washington National Airport in any 1-hour period during the hours between 7:00 a.m. and 9:59 p.m. by more than 2 operations.''.

''(3) ADDITIONAL EXEMPTIONS.—The Secretary shall grant exemptions under subsections (a) and (b) that—

''(A) will result in 12 additional daily air carrier slot exemptions at such airport for long-haul service beyond the perimeter;

''(B) will result in 12 additional daily commuter slot exemptions at such airport; and

''(C) will not result in additional daily commuter slot exemptions for service to any within-the-perimeter airport that is not smaller than a large hub airport (as defined in section 47134(d)(2)).

''(4) ASSESSMENT OF SAFETY, NOISE AND ENVIRONMENTAL IMPACTS.—The Secretary shall assess the impact of granting exemptions, including the impacts of the additional slots and flights at Ronald Reagan Washington National Airport provided under subsections (a) and (b) on safety, noise levels and the environment within 90 days of the date of the enactment of this Act. The environmental assessment shall be carried out in accordance with parts 1500–1508 of title 40, Code of Federal Regulations. Such environmental assessment shall include a public meeting.

''(5) APPLICABILITY WITH EXEMPTION 5133.—Nothing in this section affects Exemption No. 5133, as from time-to-time amended and extended.''.

(b) OVERRIDE OF MWAA RESTRICTION.—Section 49104(a)(5) is amended by adding at the end thereof the following:

''(D) Subparagraph (C) does not apply to any increase in the number of instrument flight rule takeoffs and landings necessary to implement exemptions granted by the Secretary under section 41716.''.

(c) MWAA NOISE-RELATED GRANT ASSURANCES.—

(1) IN GENERAL.—In addition to any condition for approval of an airport development project that is the subject of a grant application submitted to the Secretary of Transportation under chapter 471 of title 49, United States Code, by the Metropolitan Washington Airports Authority, the Authority shall be required to submit a written assurance that, for each such grant made to the Authority for fiscal year 1999 or any subsequent fiscal year—

(A) the Authority will make available for that fiscal year funds for noise compatibility planning and programs that are eligible to receive funding under chapter 471 of title 49, United States Code, in an amount not less than 10 percent of the aggregate annual amount of financial assistance provided to the Authority by the Secretary as grants under chapter 471 of title 49, United States Code; and

(B) the Authority will not divert funds from a high priority safety project in order to make funds available for noise compatibility planning and programs.

(2) WAIVER.—The Secretary of Transportation may waive the requirements of paragraph (1) for any fiscal year for which the Secretary determines that the Metropolitan Washington Airports Authority is in full compliance with applicable airport noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

(3) SUNSET.—This subsection shall cease to be in effect 5 years after the date of enactment of this Act, if on that date the Secretary of Transportation certifies that the Metropolitan Washington Airports Authority has achieved full compliance with applicable noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

(d) NOISE COMPATIBILITY PLANNING AND PROGRAMS.—Section 47117(e) is amended by adding at the end the following:

''(3) The Secretary shall give priority in making grants under paragraph (1)(A) to applications for airport noise compatibility planning and programs at and around airports where operations increase under title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 and the amendments made by that title.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 49111 is amended by striking subsection (e).

(2) The chapter analysis for chapter 417, as amended by section 606(b) of this Act, is amended by striking the item relating to section 41716 and inserting the following:

''41716. Special Rules for Ronald Reagan Washington National Airport.
''41717. Air service termination notice.''.

(f) REPORT.—Within 1 year after the date of enactment of this Act, and biannually thereafter, the Secretary shall certify to the United States Senate Committee on Commerce, Science, and Transportation, the United States House of Representatives Committee on Transportation and Infrastructure, the Governments of Maryland, Virginia, and West Virginia and the metropolitan planning organization for Washington D.C. that noise standards, air traffic congestion, airport-related vehicular congestion, safety standards, and adequate air service to communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code, have been maintained at appropriate levels.

**SEC. 608. ADDITIONAL SLOT EXEMPTIONS AT CHICAGO O'HARE INTERNATIONAL AIRPORT.**

(a) IN GENERAL.—Chapter 417, as amended by section 607, is amended by—

(1) redesignating section 41717 as 41718; and

(2) inserting after section 41716 the following:

**''§ 41717. Special Rules for Chicago O'Hare International Airport**

''(a) IN GENERAL.—The Secretary of Transportation shall grant 30 slot exemptions over a 3-year period beginning on the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 at Chicago O'Hare International Airport.

''(b) EQUIPMENT AND SERVICE REQUIREMENTS.—

''(1) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

''(2) SERVICE PROVIDED.—Of the exemptions granted under subsection (a)—

''(A) 18 shall be used only for service to underserved markets, of which no fewer than 6 shall be designated as commuter slot exemptions; and

''(B) 12 shall be air carrier slot exemptions.

''(c) PROCEDURAL REQUIREMENTS.—Before granting exemptions under subsection (a), the Secretary shall—

''(1) conduct an environmental review, taking noise into account, and determine that the granting of the exemptions will not cause a significant increase in noise;

''(2) determine whether capacity is available and can be used safely and, if the Secretary so determines then so certify;

''(3) give 30 days notice to the public through publication in the Federal Register of the Secretary's intent to grant the exemptions; and

''(4) consult with appropriate officers of the State and local government on any related noise and environmental issues.

''(d) UNDERSERVED MARKET DEFINED.—In this section, the term 'service to underserved markets' means passenger air transportation service to an airport that is a nonhub airport or a small hub airport (as defined in paragraphs (4) and (5), respectively, of section 41731(a)).''.

(b) STUDIES.—

(1) 3-YEAR REPORT.—The Secretary shall study and submit a report 3 years after the first exemption granted under section 41717(a) of title 49, United States Code, is first used on the impact of the additional slots on the safety, environment, noise, access to underserved markets, and competition at Chicago O'Hare International Airport.

(2) DOT STUDY IN 2000.—The Secretary of Transportation shall study community noise levels in the areas surrounding the 4 high-density airports after the 100 percent Stage 3 fleet requirements are in place, and compare those levels with the levels in such areas before 1991.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 417, as amended by section 607(b) of this Act, is amended by striking the item relating to section 41717 and inserting the following:

''41717. Special Rules for Chicago O'Hare International Airport.
''41718. Air service termination notice.''.

**SEC. 609. CONSUMER NOTIFICATION OF E-TICKET EXPIRATION DATES.**

Section 41712, as amended by section 605 of this Act, is amended by adding at the end thereof the following:

''(d) E-TICKET EXPIRATION NOTICE.—It shall be an unfair or deceptive practice under subsection (a) for any air carrier utilizing electronically transmitted tickets to fail to notify the purchaser of such a ticket of its expiration date, if any.''.

**SEC. 610. JOINT VENTURE AGREEMENTS.**

(a) IN GENERAL.—Subchapter I of chapter 417, as amended by section 608, is amended by adding at the end the following:

**''§ 41719. Joint venture agreements**

''(a) DEFINITIONS.—In this section—

''(1) JOINT VENTURE AGREEMENT.—The term 'joint venture agreement' means an agreement entered into by a major air carrier on or after January 1, 1998, with regard to (A) code-sharing, blocked-space arrangements, long-term wet leases (as defined in section 207.1 of title 14, Code of Federal Regulations) of a substantial number (as defined by the Secretary by regulation) of aircraft, or frequent flyer programs, or (B) any other cooperative working arrangement (as defined by the Secretary by regulation) between 2 or more major air carriers that affects more than 15 percent of the total number of available seat miles offered by the major air carriers.

''(2) MAJOR AIR CARRIER.—The term 'major air carrier' means a passenger air carrier that is certificated under chapter 411 of this title and included in Carrier Group III under criteria contained in section 04 of part 241 of title 14, Code of Federal Regulations.

''(b) SUBMISSION OF JOINT VENTURE AGREEMENT.—At least 30 days before a joint venture agreement may take effect, each of the major air carriers that entered into the agreement shall submit to the Secretary—

''(1) a complete copy of the joint venture agreement and all related agreements; and

''(2) other information and documentary material that the Secretary may require by regulation.

''(c) EXTENSION OF WAITING PERIOD.—

''(1) IN GENERAL.—The Secretary may extend the 30-day period referred to in subsection (b) until—

''(A) in the case of a joint venture agreement with regard to code-sharing, the 150th day following the last day of such period; and

''(B) in the case of any other joint venture agreement, the 60th day following the last day of such period.

''(2) PUBLICATION OF REASONS FOR EXTENSION.—If the Secretary extends the 30-day period referred to in subsection (b), the Secretary shall publish in the Federal Register the reasons of the Secretary for making the extension.

''(d) TERMINATION OF WAITING PERIOD.—At any time after the date of submission of a joint venture agreement under subsection (b), the Secretary may terminate the waiting periods referred to in subsections (b) and (c) with respect to the agreement.

''(e) REGULATIONS.—The effectiveness of a joint venture agreement may not be delayed due to any failure of the Secretary to issue regulations to carry out this subsection.

''(f) MEMORANDUM TO PREVENT DUPLICATIVE REVIEWS.—Promptly after the date of enactment of this section, the Secretary shall consult with the Assistant Attorney General of the Antitrust Division of the Department of Justice in order to establish, through a written memorandum of understanding, preclearance procedures to prevent unnecessary duplication of effort by the Secretary and the Assistant Attorney General under this section and the United States antitrust laws, respectively.

''(g) PRIOR AGREEMENTS.—With respect to a joint venture agreement entered into before the date of enactment of this section as to which the Secretary finds that—

''(1) the parties have submitted the agreement to the Secretary before such date of enactment; and

''(2) the parties have submitted any information on the agreement requested by the Secretary,

the waiting period described in paragraphs (2) and (3) shall begin on the date, as determined by the Secretary, on which all such information was submitted and end on the last day to which the period could be extended under this section.

''(h) LIMITATION ON STATUTORY CONSTRUCTION.—The authority granted to the Secretary under this subsection shall not in any way limit the authority of the Attorney General to enforce the antitrust laws as defined in the first section of the Clayton Act (15 U.S.C. 12).''.

(b) CONFORMING AMENDMENT.—The analysis for subchapter I of such chapter is amended by adding at the end the following:

''41716. Joint venture agreements.''.

**SEC. 611. REGIONAL AIR SERVICE INCENTIVE OPTIONS.**

(a) PURPOSE.—The purpose of this section is to provide the Congress with an analysis of means to improve service by jet aircraft to underserved markets by authorizing a review of different programs of Federal financial assistance, including loan guarantees like those that would have been provided for by section 2 of S. 1353, 105th Congress, as introduced, to commuter air carriers that would purchase regional jet aircraft for use in serving those markets.

(b) STUDY.—The Secretary of Transportation shall study the efficacy of a program of Federal loan guarantees for the purchase of regional jets by commuter air carriers. The Secretary shall include in the study a review of options for funding, including alternatives to Federal funding. In the study, the Secretary shall analyze—

(1) the need for such a program;

(2) its potential benefit to small communities;

(3) the trade implications of such a program;

(4) market implications of such a program for the sale of regional jets;

(5) the types of markets that would benefit the most from such a program;

(6) the competititve implications of such a program; and

(7) the cost of such a program.

(c) REPORT.—The Secretary shall submit a report of the results of the study to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure not later than 24 months after the date of enactment of this Act.

**SEC. 612. GAO STUDY OF AIR TRANSPORTATION NEEDS.**

The General Accounting Office shall conduct a study of the current state of the national airport network and its ability to meet the air transportation needs of the United States over the next 15 years. The study shall include airports located in remote communities and reliever airports. In assessing the effectiveness of the system the Comptroller General may consider airport runway length of 5,500 feet or the equivalent altitude-adjusted length, air traffic control facilities, and navigational aids.

## TITLE VII—NATIONAL PARKS OVERFLIGHTS

**SEC. 701. FINDINGS.**

The Congress finds that—

(1) the Federal Aviation Administration has sole authority to control airspace over the United States;

(2) the Federal Aviation Administration has the authority to preserve, protect, and enhance the environment by minimizing, mitigating, or preventing the adverse effects of aircraft overflights on the public and tribal lands;

(3) the National Park Service has the responsibility of conserving the scenery and natural and historic objects and wildlife in national parks and of providing for the enjoyment of the national parks in ways that leave the national parks unimpaired for future generations;

(4) the protection of tribal lands from aircraft overflights is consistent with protecting the public health and welfare and is essential to the maintenance of the natural and cultural resources of Indian tribes;

(5) the National Parks Overflights Working Group, composed of general aviation, air tour, environmental, and Native American representatives, recommended that the Congress enact legislation based on its consensus work product; and

(6) this title reflects the recommendations made by that Group.

**SEC. 702. AIR TOUR MANAGEMENT PLANS FOR NATIONAL PARKS.**

(a) IN GENERAL.—Chapter 401, as amended by section 301 of this Act, is amended by adding at the end the following:

**''§ 40126. Overflights of national parks**

''(a) IN GENERAL.—

''(1) GENERAL REQUIREMENTS.—A commercial air tour operator may not conduct commercial air tour operations over a national park or tribal lands except—

''(A) in accordance with this section;

''(B) in accordance with conditions and limitations prescribed for that operator by the Administrator; and

''(C) in accordance with any effective air tour management plan for that park or those tribal lands.

''(2) APPLICATION FOR OPERATING AUTHORITY.—

''(A) APPLICATION REQUIRED.—Before commencing commercial air tour operations over a national park or tribal lands, a commercial air tour operator shall apply to the Administrator for authority to conduct the operations over that park or those tribal lands.

''(B) COMPETITIVE BIDDING FOR LIMITED CAPACITY PARKS.—Whenever a commercial air tour management plan limits the number of commercial air tour flights over a national park area during a specified time frame, the Administrator, in cooperation with the Director, shall authorize commercial air tour operators to provide such service. The authorization shall specify such terms and conditions as the Administrator and the Director find necessary for management of commercial air tour operations over the national park. The Administrator, in cooperation with the Director, shall develop an open competitive process for evaluating proposals from persons interested in providing commercial air tour services over the national park. In making a selection from among various proposals submitted, the Administrator, in cooperation with the Director, shall consider relevant factors, including—

''(i) the safety record of the company or pilots;

''(ii) any quiet aircraft technology proposed for use;

''(iii) the experience in commercial air tour operations over other national parks or scenic areas;

''(iv) the financial capability of the company;

''(v) any training programs for pilots; and

''(vi) responsiveness to any criteria developed by the National Park Service or the affected national park.

''(C) NUMBER OF OPERATIONS AUTHORIZED.—In determining the number of authorizations to issue to provide commercial air tour service over a national park, the Administrator, in cooperation with the Director, shall take into consideration the provisions of the air tour management plan, the number of existing commercial air tour operators and current level of service and equipment provided by any such companies, and the financial viability of each commercial air tour operation.

''(D) COOPERATION WITH NPS.—Before granting an application under this paragraph, the Administrator shall, in cooperation with the Director, develop an air tour management plan in accordance with subsection (b) and implement such plan.

''(E) TIME LIMIT ON RESPONSE TO ATMP APPLICATIONS.—The Administrator shall act on any such application and issue a decision on the application not later than 24 months after it is received or amended.

''(3) EXCEPTION.—Notwithstanding paragraph (1), commercial air tour operators may conduct commercial air tour operations over a national park under part 91 of the Federal Aviation Regulations (14 CFR 91.1 et seq.) if—

''(A) such activity is permitted under part 119 (14 CFR 119.1(e)(2));

''(B) the operator secures a letter of agreement from the Administrator and the national park superintendent for that national park describing the conditions under which the flight operations will be conducted; and

''(C) the total number of operations under this exception is limited to not more than 5 flights in any 30-day period over a particular park.

''(4) SPECIAL RULE FOR SAFETY REQUIREMENTS.—Notwithstanding subsection (c), an existing commercial air tour operator shall, not later than 90 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, apply for operating authority under part 119, 121, or 135 of the Federal Aviation Regulations (14 CFR Pt. 119, 121, or 135). A new entrant commercial air tour operator shall apply for such authority before conducting commercial air tour operations over a national park or tribal lands.

''(b) AIR TOUR MANAGEMENT PLANS.—

''(1) ESTABLISHMENT OF ATMPS.—

''(A) IN GENERAL.—The Administrator shall, in cooperation with the Director, establish an air tour management plan for any national park or tribal land for which such a plan is not already in effect whenever a person applies for authority to operate a commercial air tour over the park. The development of the air tour management plan is to be a cooperative undertaking between the Federal Aviation Administration and the National Park Service. The air tour management plan shall be developed by means of a public process, and the agencies shall develop information and analysis that explains the conclusions that the agencies make in the application of the respective criteria. Such explanations shall be included in the Record of Decision and may be subject to judicial review.

''(B) OBJECTIVE.—The objective of any air tour management plan shall be to develop acceptable and effective measures to mitigate or prevent the significant adverse impacts, if any, of commercial air tours upon the natural and cultural resources and visitor experiences and tribal lands.

''(2) ENVIRONMENTAL DETERMINATION.—In establishing an air tour management plan under this subsection, the Administrator and the Director shall each sign the environmental decision document required by section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) which may include a finding of no significant impact, an environmental assessment, or an environmental impact statement, and the Record of Decision for the air tour management plan.

''(3) CONTENTS.—An air tour management plan for a national park—

''(A) may prohibit commercial air tour operations in whole or in part;

''(B) may establish conditions for the conduct of commercial air tour operations, including commercial air tour routes, maximum or minimum altitudes, time-of-day restrictions, restrictions for particular events, maximum number of flights per unit of time, intrusions on privacy on tribal lands, and mitigation of noise, visual, or other impacts;

''(C) shall apply to all commercial air tours within ½ mile outside the boundary of a national park;

''(D) shall include incentives (such as preferred commercial air tour routes and altitudes, relief from caps and curfews) for the adoption of quiet aircraft technology by commercial air tour operators conducting commercial air tour operations at the park;

''(E) shall provide for the initial allocation of opportunities to conduct commercial air tours if the plan includes a limitation on the number of commercial air tour flights for any time period; and

''(F) shall justify and document the need for measures taken pursuant to subparagraphs (A) through (E).

''(4) PROCEDURE.—In establishing a commercial air tour management plan for a national park, the Administrator and the Director shall—

''(A) initiate at least one public meeting with interested parties to develop a commercial air tour management plan for the park;

''(B) publish the proposed plan in the Federal Register for notice and comment and make copies of the proposed plan available to the public;

''(C) comply with the regulations set forth in sections 1501.3 and 1501.5 through 1501.8 of title 40, Code of Federal Regulations (for purposes of complying with those regulations, the Federal Aviation Administration is the lead agency and the National Park Service is a cooperating agency); and

''(D) solicit the participation of any Indian tribe whose tribal lands are, or may be, overflown by aircraft involved in commercial air tour operations over a national park or tribal lands, as a cooperating agency under the regulations referred to in paragraph (4)(C).

''(5) AMENDMENTS.—Any amendment of an air tour management plan shall be published in the Federal Register for notice and comment. A request for amendment of an air tour management plan shall be made in such form and manner as the Administrator may prescribe.

''(c) INTERIM OPERATING AUTHORITY.—

''(1) IN GENERAL.—Upon application for operating authority, the Administrator shall grant interim operating authority under this paragraph to a commercial air tour operator for a national park or tribal lands for which the operator is an existing commercial air tour operator.

''(2) REQUIREMENTS AND LIMITATIONS.—Interim operating authority granted under this subsection—

''(A) shall provide annual authorization only for the greater of—

''(i) the number of flights used by the operator to provide such tours within the 12-month period prior to the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998; or

''(ii) the average number of flights per 12-month period used by the operator to provide such tours within the 36-month period prior to such date of enactment, and, for seasonal operations, the number of flights so used during the season or seasons covered by that 12-month period;

''(B) may not provide for an increase in the number of operations conducted during any time period by the commercial air tour operator to which it is granted unless the increase is agreed to by the Administrator and the Director;

''(C) shall be published in the Federal Register to provide notice and opportunity for comment;

''(D) may be revoked by the Administrator for cause;

''(E) shall terminate 180 days after the date on which an air tour management plan is established for that park or those tribal lands; and

''(F) shall—

''(i) promote protection of national park resources, visitor experiences, and tribal lands;

''(ii) promote safe operations of the commercial air tour;

''(iii) promote the adoption of quiet technology, as appropriate; and

''(iv) allow for modifications of the operation based on experience if the modification improves protection of national park resources and values and of tribal lands.

''(3) NEW ENTRANT AIR TOUR OPERATORS.—

''(A) IN GENERAL.—The Administrator, in cooperation with the Director, may grant interim operating authority under this paragraph to an air tour operator for a national park for which that operator is a new entrant air tour operator if the Administrator determines the authority is necessary to ensure competition in the provision of commercial air tours over that national park or those tribal lands.

''(B) SAFETY LIMITATION.—The Administrator may not grant interim operating authority under subparagraph (A) if the Administrator determines that it would create a safety problem at that park or on tribal lands, or the Director determines that it would create a noise problem at that park or on tribal lands.

''(C) ATMP LIMITATION.—The Administrator may grant interim operating authority under subparagraph (A) of this paragraph only if the air tour management plan for the park or tribal lands to which the application relates has not been developed within 24 months after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

''(d) DEFINITIONS.—In this section, the following definitions apply:

''(1) COMMERCIAL AIR TOUR.—The term 'commercial air tour' means any flight conducted for compensation or hire in a powered aircraft where a purpose of the flight is sightseeing. If the operator of a flight asserts that the flight is not a commercial air tour, factors that can be considered by the Administrator in making a determination of whether the flight is a commercial air tour, include, but are not limited to—

''(A) whether there was a holding out to the public of willingness to conduct a sightseeing flight for compensation or hire;

''(B) whether a narrative was provided that referred to areas or points of interest on the surface;

''(C) the area of operation;

''(D) the frequency of flights;

''(E) the route of flight;

''(F) the inclusion of sightseeing flights as part of any travel arrangement package; or

''(G) whether the flight or flights in question would or would not have been canceled based on poor visibility of the surface.

''(2) COMMERCIAL AIR TOUR OPERATOR.—The term 'commercial air tour operator' means any person who conducts a commercial air tour.

''(3) EXISTING COMMERCIAL AIR TOUR OPERATOR.—The term 'existing commercial air tour operator' means a commercial air tour operator that was actively engaged in the business of providing commercial air tours over a national park at any time during the 12-month period ending on the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

''(4) NEW ENTRANT COMMERCIAL AIR TOUR OPERATOR.—The term 'new entrant commercial air tour operator' means a commercial air tour operator that—

''(A) applies for operating authority as a commercial air tour operator for a national park; and

''(B) has not engaged in the business of providing commercial air tours over that national park or those tribal lands in the 12-month period preceding the application.

''(5) COMMERCIAL AIR TOUR OPERATIONS.—The term 'commercial air tour operations' means commercial air tour flight operations conducted—

''(A) over a national park or within ½ mile outside the boundary of any national park;

''(B) below a minimum altitude, determined by the Administrator in cooperation with the Director, above ground level (except

solely for purposes of takeoff or landing, or necessary for safe operation of an aircraft as determined under the rules and regulations of the Federal Aviation Administration requiring the pilot-in-command to take action to ensure the safe operation of the aircraft); and

''(C) less than 1 mile laterally from any geographic feature within the park (unless more than ½ mile outside the boundary).

''(6) NATIONAL PARK.—The term 'national park' means any unit of the National Park System.

''(7) TRIBAL LANDS.—The term 'tribal lands' means 'Indian country', as defined by section 1151 of title 18, United States Code, that is within or abutting a national park.

''(8) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Federal Aviation Administration.

''(9) DIRECTOR.—The term 'Director' means the Director of the National Park Service.''.

(b) EXEMPTIONS.—

(1) GRAND CANYON.—Section 40126 of title 49, United States Code, as added by subsection (a), does not apply to—

(A) the Grand Canyon National Park; or

(B) Indian country within or abutting the Grand Canyon National Park.

(2) ALASKA.—The provisions of this title and section 40126 of title 49, United States Code, as added by subsection (a), do not apply to any land or waters located in Alaska.

(3) COMPLIANCE WITH OTHER REGULATIONS.—For purposes of section 40126 of title 49, United States Code—

(A) regulations issued by the Secretary of Transportation and the Administrator of the Federal Aviation Administration under section 3 of Public Law 100–91 (16 U.S.C. 1a–1, note); and

(B) commercial air tour operations carried out in compliance with the requirements of those regulations,

shall be deemed to meet the requirements of such section 40126.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 401 is amended by adding at the end thereof the following:

''40126. Overflights of national parks.''.

**SEC. 703. ADVISORY GROUP.**

(a) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Federal Aviation Administration and the Director of the National Park Service shall jointly establish an advisory group to provide continuing advice and counsel with respect to the operation of commercial air tours over and near national parks.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The advisory group shall be composed of—

(A) a balanced group of —

(i) representatives of general aviation;

(ii) representatives of commercial air tour operators;

(iii) representatives of environmental concerns; and

(iv) representatives of Indian tribes;

(B) a representative of the Federal Aviation Administration; and

(C) a representative of the National Park Service.

(2) EX-OFFICIO MEMBERS.—The Administrator and the Director shall serve as ex-officio members.

(3) CHAIRPERSON.—The representative of the Federal Aviation Administration and the representative of the National Park Service shall serve alternating 1-year terms as chairman of the advisory group, with the representative of the Federal Aviation Administration serving initially until the end of the calendar year following the year in which the advisory group is first appointed.

(c) DUTIES.—The advisory group shall provide advice, information, and recommendations to the Administrator and the Director—

(1) on the implementation of this title;

(2) on the designation of appropriate and feasible quiet aircraft technology standards for quiet aircraft technologies under development for commercial purposes, which will receive preferential treatment in a given air tour management plan;

(3) on other measures that might be taken to accommodate the interests of visitors to national parks; and

(4) on such other national park or tribal lands-related safety, environmental, and air touring issues as the Administrator and the Director may request.

(d) COMPENSATION; SUPPORT; FACA.—

(1) COMPENSATION AND TRAVEL.—Members of the advisory group who are not officers or employees of the United States, while attending conferences or meetings of the group or otherwise engaged in its business, or while serving away from their homes or regular places of business, each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(2) ADMINISTRATIVE SUPPORT.—The Federal Aviation Administration and the National Park Service shall jointly furnish to the advisory group clerical and other assistance.

(3) NONAPPLICATION OF FACA.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) does not apply to the advisory group.

(e) REPORT.—The Administrator and the Director shall jointly report to the Congress within 24 months after the date of enactment of this Act on the success of this title in providing incentives for quiet aircraft technology.

**SEC. 704. OVERFLIGHT FEE REPORT.**

Not later than 180 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall transmit to Congress a report on the effects proposed overflight fees are likely to have on the commercial air tour industry. The report shall include, but shall not be limited to—

(1) the viability of a tax credit for the commercial air tour operators equal to the amount of the proposed fee charged by the National Park Service; and

(2) the financial effects proposed offsets are likely to have on Federal Aviation Administration budgets and appropriations.

**SEC. 705. PROHIBITION OF COMMERCIAL AIR TOURS OVER THE ROCKY MOUNTAIN NATIONAL PARK.**

Effective beginning on the date of enactment of this Act, no commercial air tour may be operated in the airspace over the Rocky Mountain National Park notwithstanding any other provision of this Act or section 40126 of title 49, United States Code, as added by this Act.

## TITLE VIII—CENTENNIAL OF FLIGHT COMMEMORATION

**SEC. 801. SHORT TITLE.**

This title may be cited as the ''Centennial of Flight Commemoration Act''.

**SEC. 802. FINDINGS.**

Congress finds that—

(1) December 17, 2003, is the 100th anniversary of the first successful manned, free, controlled, and sustained flight by a power-driven, heavier-than-air machine;

(2) the first flight by Orville and Wilbur Wright represents the fulfillment of the age-old dream of flying;

(3) the airplane has dramatically changed the course of transportation, commerce, communication, and warfare throughout the world;

(4) the achievement by the Wright brothers stands as a triumph of American ingenuity, inventiveness, and diligence in developing new technologies, and remains an inspiration for all Americans;

(5) it is appropriate to remember and renew the legacy of the Wright brothers at a time when the values of creativity and daring represented by the Wright brothers are critical to the future of the Nation; and

(6) as the Nation approaches the 100th anniversary of powered flight, it is appropriate to celebrate and commemorate the centennial year through local, national, and international observances and activities.

**SEC. 803. ESTABLISHMENT.**

There is established a commission to be known as the Centennial of Flight Commission.

**SEC. 804. MEMBERSHIP.**

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 6 members, as follows:

(1) The Director of the National Air and Space Museum of the Smithsonian Institution or his designee.

(2) The Administrator of the National Aeronautics and Space Administration or his designee.

(3) The chairman of the First Flight Centennial Foundation of North Carolina, or his designee.

(4) The chairman of the 2003 Committee of Ohio, or his designee.

(5) As chosen by the Commission, the president or head of a United States aeronautical society, foundation, or organization of national stature or prominence who will be a person from a State other than Ohio or North Carolina.

(6) The Administrator of the Federal Aviation Administration, or his designee.

(b) VACANCIES.—Any vacancy in the Commission shall be filled in the same manner in which the original designation was made.

(c) COMPENSATION.—

(1) PROHIBITION OF PAY.—Except as provided in paragraph (2), members of the Commission shall serve without pay or compensation.

(2) TRAVEL EXPENSES.—The Commission may adopt a policy, only by unanimous vote, for members of the Commission and related advisory panels to receive travel expenses, including per diem in lieu of subsistence. The policy may not exceed the levels established under sections 5702 and 5703 of title 5, United States Code. Members who are Federal employees shall not receive travel expenses if otherwise reimbursed by the Federal Government.

(d) QUORUM.—Three members of the Commission shall constitute a quorum.

(e) CHAIRPERSON.—The Commission shall select a Chairperson of the Commission from the members designated under subsection (a) (1), (2), or (5). The Chairperson may not vote on matters before the Commission except in the case of a tie vote. The Chairperson may be removed by a vote of a majority of the Commission's members.

(f) ORGANIZATION.—No later than 90 days after the date of enactment of this Act, the Commission shall meet and select a Chairperson, Vice Chairperson, and Executive Director.

**SEC. 805. DUTIES.**

(a) IN GENERAL.—The Commission shall—

(1) represent the United States and take a leadership role with other nations in recognizing the importance of aviation history in general and the centennial of powered flight in particular, and promote participation by the United States in such activities;

(2) encourage and promote national and international participation and sponsorships in commemoration of the centennial of powered flight by persons and entities such as—

(A) aerospace manufacturing companies;
(B) aerospace-related military organizations;
(C) workers employed in aerospace-related industries;
(D) commercial aviation companies;
(E) general aviation owners and pilots;
(F) aerospace researchers, instructors, and enthusiasts;
(G) elementary, secondary, and higher educational institutions;
(H) civil, patriotic, educational, sporting, arts, cultural, and historical organizations and technical societies;
(I) aerospace-related museums; and
(J) State and local governments;

(3) plan and develop, in coordination with the First Flight Centennial Commission, the First Flight Centennial Foundation of North Carolina, and the 2003 Committee of Ohio, programs and activities that are appropriate to commemorate the 100th anniversary of powered flight;

(4) maintain, publish, and distribute a calendar or register of national and international programs and projects concerning, and provide a central clearinghouse for, information and coordination regarding, dates, events, and places of historical and commemorative significance regarding aviation history in general and the centennial of powered flight in particular;

(5) provide national coordination for celebration dates to take place throughout the United States during the centennial year;

(6) assist in conducting educational, civic, and commemorative activities relating to the centennial of powered flight throughout the United States, especially activities that occur in the States of North Carolina and Ohio and that highlight the activities of the Wright brothers in such States; and

(7) encourage the publication of popular and scholarly works related to the history of aviation or the anniversary of the centennial of powered flight.

(b) NONDUPLICATION OF ACTIVITIES.—The Commission shall attempt to plan and conduct its activities in such a manner that activities conducted pursuant to this title enhance, but do not duplicate, traditional and established activities of Ohio's 2003 Committee, North Carolina's First Flight Centennial Commission, the First Flight Centennial Foundation, or any other organization of national stature or prominence.

**SEC. 806. POWERS.**

(a) ADVISORY COMMITTEES AND TASK FORCES.—

(1) IN GENERAL.—The Commission may appoint any advisory committee or task force from among the membership of the Advisory Board in section 812.

(2) FEDERAL COOPERATION.—To ensure the overall success of the Commission's efforts, the Commission may call upon various Federal departments and agencies to assist in and give support to the programs of the Commission. The head of the Federal department or agency, where appropriate, shall furnish the information or assistance requested by the Commission, unless prohibited by law.

(3) PROHIBITION OF PAY OTHER THAN TRAVEL EXPENSES.—Members of an advisory committee or task force authorized under paragraph (1) shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 804(c)(2).

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action that the Commission is authorized to take under this title.

(c) AUTHORITY TO PROCURE AND TO MAKE LEGAL AGREEMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision in this title, only the Commission may procure supplies, services, and property, and make or enter into leases and other legal agreements in order to carry out this title.

(2) RESTRICTION.—

(A) IN GENERAL.—A contract, lease, or other legal agreement made or entered into by the Commission may not extend beyond the date of the termination of the Commission.

(B) FEDERAL SUPPORT.—The Commission shall obtain property, equipment, and office space from the General Services Administration or the Smithsonian Institution, unless other office space, property, or equipment is less costly.

(3) SUPPLIES AND PROPERTY POSSESSED BY COMMISSION AT TERMINATION.—Any supplies and property, except historically significant items, that are acquired by the Commission under this title and remain in the possession of the Commission on the date of the termination of the Commission shall become the property of the General Services Administration upon the date of termination.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as any other Federal agency.

**SEC. 807. STAFF AND SUPPORT SERVICES.**

(a) EXECUTIVE DIRECTOR.—There shall be an Executive Director appointed by the Commission and chosen from among detailees from the agencies and organizations represented on the Commission. The Executive Director may be paid at a rate not to exceed the maximum rate of basic pay payable for the Senior Executive Service.

(b) STAFF.—The Commission may appoint and fix the pay of any additional personnel that it considers appropriate, except that an individual appointed under this subsection may not receive pay in excess of the maximum rate of basic pay payable for GS–14 of the General Schedule.

(c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, except as provided under subsections (a) and (b) of this section.

(d) MERIT SYSTEM PRINCIPLES.—The appointment of the Executive Director or any personnel of the Commission under subsection (a) or (b) shall be made consistent with the merit system principles under section 2301 of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon request by the Chairperson of the Commission, the head of any Federal department or agency may detail, on either a nonreimbursable or reimbursable basis, any of the personnel of the department or agency to the Commission to assist the Commission to carry out its duties under this title.

(f) ADMINISTRATIVE SUPPORT SERVICES.—

(1) REIMBURSABLE SERVICES.—The Secretary of the Smithsonian Institution may provide to the Commission on a reimbursable basis any administrative support services that are necessary to enable the Commission to carry out this title.

(2) NONREIMBURSABLE SERVICES.—The Secretary may provide administrative support services to the Commission on a nonreimbursable basis when, in the opinion of the Secretary, the value of such services is insignificant or not practical to determine.

(g) COOPERATIVE AGREEMENTS.—The Commission may enter into cooperative agreements with other Federal agencies, State and local governments, and private interests and organizations that will contribute to public awareness of and interest in the centennial of powered flight and toward furthering the goals and purposes of this title.

(h) PROGRAM SUPPORT.—The Commission may receive program support from the nonprofit sector.

**SEC. 808. CONTRIBUTIONS.**

(a) DONATIONS.—The Commission may accept donations of personal services and historic materials relating to the implementation of its responsibilities under the provisions of this title.

(b) VOLUNTEER SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Commission may accept and use voluntary and uncompensated services as the Commission determines necessary.

(c) REMAINING FUNDS.—Any funds (including funds received from licensing royalties) remaining with the Commission on the date of the termination of the Commission may be used to ensure proper disposition, as specified in the final report required under section 810(b), of historically significant property which was donated to or acquired by the Commission. Any funds remaining after such disposition shall be transferred to the Secretary of the Treasury for deposit into the general fund of the Treasury of the United States.

**SEC. 809. EXCLUSIVE RIGHT TO NAME, LOGOS, EMBLEMS, SEALS, AND MARKS.**

(a) IN GENERAL.—The Commission may devise any logo, emblem, seal, or descriptive or designating mark that is required to carry out its duties or that it determines is appropriate for use in connection with the commemoration of the centennial of powered flight.

(b) LICENSING.—The Commission shall have the sole and exclusive right to use, or to allow or refuse the use of, the name ''Centennial of Flight Commission'' on any logo, emblem, seal, or descriptive or designating mark that the Commission lawfully adopts.

(c) EFFECT ON OTHER RIGHTS.—No provision of this section may be construed to conflict or interfere with established or vested rights.

(d) USE OF FUNDS.—Funds from licensing royalties received pursuant to this section shall be used by the Commission to carry out the duties of the Commission specified by this title.

(e) LICENSING RIGHTS.—All exclusive licensing rights, unless otherwise specified, shall revert to the Air and Space Museum of the Smithsonian Institution upon termination of the Commission.

**SEC. 810. REPORTS.**

(a) ANNUAL REPORT.—In each fiscal year in which the Commission is in existence, the Commission shall prepare and submit to Congress a report describing the activities of the Commission during the fiscal year. Each annual report shall also include—

(1) recommendations regarding appropriate activities to commemorate the centennial of powered flight, including—

(A) the production, publication, and distribution of books, pamphlets, films, and other educational materials;

(B) bibliographical and documentary projects and publications;

(C) conferences, convocations, lectures, seminars, and other similar programs;

(D) the development of exhibits for libraries, museums, and other appropriate institutions;

(E) ceremonies and celebrations commemorating specific events that relate to the history of aviation;

(F) programs focusing on the history of aviation and its benefits to the United States and humankind; and

(G) competitions, commissions, and awards regarding historical, scholarly, artistic, literary, musical, and other works, programs,

and projects related to the centennial of powered flight;

(2) recommendations to appropriate agencies or advisory bodies regarding the issuance of commemorative coins, medals, and stamps by the United States relating to aviation or the centennial of powered flight;

(3) recommendations for any legislation or administrative action that the Commission determines to be appropriate regarding the commemoration of the centennial of powered flight;

(4) an accounting of funds received and expended by the Commission in the fiscal year that the report concerns, including a detailed description of the source and amount of any funds donated to the Commission in the fiscal year; and

(5) an accounting of any cooperative agreements and contract agreements entered into by the Commission.

(b) FINAL REPORT.—Not later than June 30, 2004, the Commission shall submit to the President and Congress a final report. The final report shall contain—

(1) a summary of the activities of the Commission;

(2) a final accounting of funds received and expended by the Commission;

(3) any findings and conclusions of the Commission; and

(4) specific recommendations concerning the final disposition of any historically significant items acquired by the Commission, including items donated to the Commission under section 808(a)(1).

**SEC. 811. AUDIT OF FINANCIAL TRANSACTIONS.**

(a) IN GENERAL.—

(1) AUDIT.—The Comptroller General of the United States shall audit on an annual basis the financial transactions of the Commission, including financial transactions involving donated funds, in accordance with generally accepted auditing standards.

(2) ACCESS.—In conducting an audit under this section, the Comptroller General—

(A) shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission, as necessary to facilitate the audit; and

(B) shall be afforded full facilities for verifying the financial transactions of the Commission, including access to any financial records or securities held for the Commission by depositories, fiscal agents, or custodians.

(b) FINAL REPORT.—Not later than September 30, 2004, the Comptroller General of the United States shall submit to the President and to Congress a report detailing the results of any audit of the financial transactions of the Commission conducted by the Comptroller General.

**SEC. 812. ADVISORY BOARD.**

(a) ESTABLISHMENT.—There is established a First Flight Centennial Federal Advisory Board.

(b) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Board shall be composed of 19 members as follows:

(A) The Secretary of the Interior, or the designee of the Secretary.

(B) The Librarian of Congress, or the designee of the Librarian.

(C) The Secretary of the Air Force, or the designee of the Secretary.

(D) The Secretary of the Navy, or the designee of the Secretary.

(E) The Secretary of Transportation, or the designee of the Secretary.

(F) Six citizens of the United States, appointed by the President, who—

(i) are not officers or employees of any government (except membership on the Board shall not be construed to apply to the limitation under this clause); and

(ii) shall be selected based on their experience in the fields of aerospace history, science, or education, or their ability to represent the entities enumerated under section 805(a)(2).

(G) Four citizens of the United States, appointed by the majority leader of the Senate in consultation with the minority leader of the Senate.

(H) Four citizens of the United States, appointed by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives. Of the individuals appointed under this subparagraph—

(i) one shall be selected from among individuals recommended by the representative whose district encompasses the Wright Brothers National Memorial; and

(ii) one shall be selected from among individuals recommended by the representatives whose districts encompass any part of the Dayton Aviation Heritage National Historical Park.

(c) VACANCIES.—Any vacancy in the Advisory Board shall be filled in the same manner in which the original designation was made.

(d) MEETINGS.—Seven members of the Advisory Board shall constitute a quorum for a meeting. All meetings shall be open to the public.

(e) CHAIRPERSON.—The President shall designate 1 member appointed under subsection (b)(1)(F) as chairperson of the Advisory Board.

(f) MAILS.—The Advisory Board may use the United States mails in the same manner and under the same conditions as a Federal agency.

(g) DUTIES.—The Advisory Board shall advise the Commission on matters related to this title.

(h) PROHIBITION OF COMPENSATION OTHER THAN TRAVEL EXPENSES.—Members of the Advisory Board shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 804(e).

(i) TERMINATION.—The Advisory Board shall terminate upon the termination of the Commission.

**SEC. 813. DEFINITIONS.**

In this title:

(1) ADVISORY BOARD.—The term ''Advisory Board'' means the Centennial of Flight Federal Advisory Board.

(2) CENTENNIAL OF POWERED FLIGHT.—The term ''centennial of powered flight'' means the anniversary year, from December 2002 to December 2003, commemorating the 100-year history of aviation beginning with the First Flight and highlighting the achievements of the Wright brothers in developing the technologies which have led to the development of aviation as it is known today.

(3) COMMISSION.—The term ''Commission'' means the Centennial of Flight Commission.

(4) DESIGNEE.—The term ''designee'' means a person from the respective entity of each entity represented on the Commission or Advisory Board.

(5) FIRST FLIGHT.—The term ''First Flight'' means the first four successful manned, free, controlled, and sustained flights by a power-driven, heavier-than-air machine, which were accomplished by Orville and Wilbur Wright of Dayton, Ohio on December 17, 1903, at Kitty Hawk, North Carolina.

**SEC. 814. TERMINATION.**

The Commission shall terminate not later than 60 days after the submission of the final report required by section 810(b) and shall transfer all documents and material to the National Archives or other appropriate Federal entity.

**SEC. 815. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated to carry out this title—

(1) $250,000 for fiscal year 1999;
(2) $600,000 for fiscal year 2000;
(3) $750,000 for fiscal year 2001;
(4) $900,000 for fiscal year 2002;
(5) $900,000 for fiscal year 2003; and
(6) $600,000 for fiscal year 2004.

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By Mr. LUGAR:

S. 537. A bill to amend the Internal Revenue Code of 1986 to adjust the exemption amounts used to calculate the individual alternative minimum tax for inflation since 1993; to the Committee on Finance.

INDEXATION OF ALTERNATIVE MINIMUM TAX EXEMPTIONS

Mr. LUGAR. Mr. President, I am introducing today a bill to address what has become an increasingly heavy burden for middle-income taxpayers: the Alternative Minimum Tax, or AMT. My bill would retroactively index to inflation the exemptions used to calculate an individual taxpayer's AMT liability. The indexation would begin in 1993—the last time these exemptions were raised. The AMT is conspicuous for its lack of indexation. Under the regular income tax, the tax rate structure, the standard deductions, the personal exemptions, and certain other structural components are indexed so that taxpayers are not pushed into higher income tax brackets just because their income has kept pace with the cost of living.

The Joint Tax Committee estimates that in 1997, 605,000 taxpayers were subject to the AMT. According to these same estimates, which take into account the changes in the Taxpayer Relief Act of 1997, taxpayers subject to the AMT could total 12 million by 2007. This is an increase of more than 1,800 percent in the number of taxpayers paying this particular tax. According to the Joint Tax Committee, this dramatic expansion of the AMT's reach can largely be attributed to the lack of indexation of the AMT exemptions.

The AMT was created in 1969 after a Treasury Department study revealed that 155 individuals who had annual incomes in excess of $200,000 had avoided paying taxes because of loopholes in the tax code. We can all agree that upper-income individuals should pay their fair share of taxes. The AMT was created effectively to be a tax on the use of incentives and preferences to reduce an individual's income tax liability. However, since its implementation, the AMT has inadvertently created larger tax burdens for the middle-class, who were never meant to be subject to the AMT.

Of the more than two million taxpayers who this year will be subject to the AMT, about half will have incomes between $30,000 and $100,000. Some are single working parents; and some are people who make as little as $527 a week, according to a recent article by David Cay Johnston in the January 10, 1999 New York Times. Mr. President, I will submit this article for the RECORD. Overall, the number of people affected by this tax is expected to grow 26 percent a year for the next decade.

The Taxpayer Relief Act of 1997 accelerated the growth of the AMT. Under this law, even more middle-income families may be subject to the AMT because they cannot take the full value of their child and education tax credits without reaching the AMT limits for deductions.

Even if Congress were to exempt the child and education tax credits from the AMT calculation, it would only slow the spread of the AMT slightly if the tax is not indexed for inflation, according to a study by two Treasury Department economists, Robert Rebelein and Jerry Tempalski. I will also submit their study for the RECORD.

I believe that indexing the AMT exemptions is the best way to restrain the unintended reach of the AMT. The AMT exemptions have only been raised once, in 1993, by 12.5 percent, from $40,000 to $45,000. Since 1986, when the tax code was last overhauled, the cost of living has risen 43 percent. Indexing would bring the AMT into line with the rest of our tax structure. It would also avoid adding any complexity to the already burdensome task of taxpaying Americans.

Let me give you a real life example of how the AMT has crept up on middle-income taxpayers. The New York Times article provided a stark picture of the AMT. David and Margaret Klaassen of Marquette, Kansas, are a couple with 13 children. Mr. Klaassen works at home as a lawyer. In 1997, Mr. Klaassen earned $89,751 and paid $5,989 in Federal income tax. The IRS sent the Klaassens a notice in December 1998 demanding an additional payment of $3,761 under the AMT, including a penalty. The Klaassens' tax bill was higher because the AMT, a tax mechanism aimed at wealthy individuals who would otherwise pay no taxes, applied to them.

The Klaassens are subject to the AMT because medical expenses for their 13 children, which include costs of battling their son's leukemia, resulted in exemptions and deductions totaling more than $45,000. Certainly the Congress did not intend for the AMT to create an extra burden for families like the Klaassens.

Mr. President, there is agreement from both the Administration and Congress that the AMT is a growing problem for the middle class and that something must be done. In this new era of budget surpluses, the time has come for us to act to restore some measure of fairness and simplicity to our income tax code. This is why I advocate indexing the AMT, an approach that is supported by both the Tax Foundation and Citizens for Tax Justice.

Mr. President, I ask unanimous consent that my bill to index the AMT exemptions for inflation as well as additional material be printed in the RECORD.

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

S. 537

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. INFLATION ADJUSTMENT FOR INDIVIDUAL AMT EXEMPTION AMOUNTS.**

(a) IN GENERAL.—Section 55(d) of the Internal Revenue Code of 1986 (relating to exemption amount) is amended by adding at the end the following:

''(4) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning after 1998, each of the dollar amounts contained in paragraphs (1) and (3) 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 such calendar year.

''(B) ROUNDING.—If any increase determined under subparagraph (A) is not a multiple of $50, such increase shall be rounded to the nearest multiple of $50.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

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[From the New York Times, Jan. 10, 1999]

FUNNY, THEY DON'T LOOK LIKE FAT CATS

(By David Cay Johnston)

Three decades ago, Congress, embarrassed by the disclosure that 155 wealthy Americans had paid no Federal income taxes, enacted legislation aimed at preventing the very rich from shielding their wealth in tax shelters.

Today, that legislation, creating the alternative minimum tax, is instead snaring a rapidly growing number of middle-class taxpayers, forcing them to pay additional tax or to lose some of their tax breaks.

Of the more than two million taxpayers who will be subject this year to the alternative minimum tax, or A.M.T., about half have incomes of $30,000 to $100,000. Some are single parents with jobs; some are people making as little as $527 a week. Over all, the number of people affected by the tax is expected to grow 26 percent a year for the next decade.

But many of the wealthy will not be among them. Even with the A.M.T., the number of taxpayers making more than $200,000 who pay no taxes has risen to more than 2,000 each year.

How a 1969 law aimed at the tax-shy rich became a growing burden on moderate earners illustrates how tax policy in Washington can be a hall of mirrors.

While some Republican Congressmen favor eliminating the tax, other lawmakers say such a move would be an expensive tax break for the wealthy—or at least would be perceived that way, and thus would be politically unpalatable. And any overhaul of the system would need to compensate for the $6.6 billion that individuals now pay under the A.M.T. This year, such payments will account for almost 1 percent of all individual income tax revenue.

''This is a classic case of both Congress and the Administration agreeing that the tax doesn't make much sense, but not being able to agree on doing anything about it,'' said C. Eugene Steuerle, an economist with the Urban Institute, a nonprofit research organization in Washington.

Mr. Steuerle was a Treasury Department tax official in 1986, when an overhaul of the tax code set the stage for drawing the middle class into the A.M.T.

In eliminating most tax shelters for the wealthy, Congress decided to treat exemptions for children and deductions for medical expenses just like special credits for investors in oil wells, if they cut too deeply into a household's taxable income.

Congress decided that once these ''tax preferences'' exceeded certain amounts—$40,000 for a married couple, for example—people would be moved out of the regular income tax and into the alternative minimum tax. At the time, the threshold was high enough to affect virtually no one but the rich. But it has since been raised only once—by 12.5 percent, to $45,000 for a married couple—while the cost of living has risen 43 percent. And so the limits have sneaked up on growing numbers of taxpayers of more modest means.

''Everyone knew back then that it had problems that had to be fixed,'' Mr. Steuerle recalled. ''They just said, 'next year.' ''

But ''next year'' has never come—and it is unlikely to arrive in 1999, either. While tax policy experts have known for years that the middle class would be drawn into the A.M.T., few taxpayers have been clamoring for change.

Among those few, however, are David and Margaret Klaassen of Marquette, Kan. Mr. Klaassen, a lawyer who lives in and works out of a farmhouse, made $89,751.07 in 1997 and paid $5,989 in Federal income taxes. Four weeks ago, the Internal Revenue Service sent the Klaassens a notice demanding $3,761 more under the alternative minimum tax, including a penalty because the I.R.S. said the Klaassens knew they owed the A.M.T.

Mr. Klaassen acknowledges that he knew the I.R.S. would assert that he was subject to the A.M.T., but he says the law was not meant to apply to his family. ''I've never invested in a tax shelter,'' he said. ''I don't even have municipal bonds.''

The Klaassens do, however, have 13 children and their attendant medical expenses—including the costs of caring for their second son, Aaron, 17, who has battled leukemia for years. It was those exemptions and deductions that subjected them to the A.M.T.

''What kind of policy taxes you for spending money to save your child's life?'' Mr. Klaassen asked.

The tax affects taxpayers in three ways. Some, like the Klaassens, pay the tax at either a 26 percent or a 28 percent rate because they have more than $45,000 in exemptions and deductions. Others do not pay the A.M.T. itself, but they cannot take the full tax breaks they would have received under the regular income tax system without running up against limits set by the A.M.T. The A.M.T. can also convert tax-exempt income from certain bonds and from exercising incentive stock options into taxable income.

It may be useful to think of the alternative minimum tax as a parallel universe to the regular income tax system, similar in some ways but more complex and with its own classifications of deductions, its own rates and its own paperwork. The idea was that taxpayers who had escaped the regular tax universe by piling on credits and deductions would enter this new universe to pay their fair share. (Likewise, there is a corporate A.M.T. that parallels the corporate income tax.)

At first, the burden of the A.M.T. fell mainly on the shoulders of business owners and investors, said Robert S. McIntyre, executive director of Citizens for Tax Justice, a nonprofit group in Washington that says the tax system favors the rich. Based on I.R.S. data, Mr. McIntyre said he found that 37 percent of A.M.T. revenue in 1990 was a result of business owners using losses from previous years to reduce their regular income taxes; an additional 18 percent was because of big deductions for state and local taxes.

But that has begun to shift, largely as a result of the 1986 changes, which eliminated most tax shelters and lowered tax rates.

When President Reagan and Congress were overhauling the tax code, they could not make the projected revene under the new

rules equal those under the old system. Huge, and growing, budget deficits made it politically essential for the official estimates to show that after tax reform, the same amount of money would flow to Washington.

One solution, said Mr. Steuerle, the former Treasury official, was to count personal and dependent exemptions and some medical expenses as preferences to be reduced or ignored under the A.M.T. just as special credits for petroleum investments and other tax shelters are.

Mortgage interest and charitable gifts were not counted as preferences, according to tax policy experts who worked on the legislation, because they generated more money than was needed.

But the A.M.T. has not stayed ''revenue neutral,'' in Washington parlance.

The regular income tax was indexed for inflation in 1984, so that taxpayers would not get pushed into higher tax brackets simply because their income kept pace with the cost of living.

The A.M.T. limits, however, have not been indexed. The total allowable exemptions before the tax kicks in have been fixed since 1993 at $45,000 for a married couple filing jointly. For unmarried people, the total amount is now $33,750, and for married people filing separately, it is $22,500.

If the limit has been indexed since 1986, when the A.M.T. was overhauled, it would be about $57,000 for married couples filing jointly—and most middle-income households would still be exempt.

Mr. Steuerle said he warned at the time that including ''normal, routine deductions and exemptions that everyone takes'' in the list of preferences would eventually turn the A.M.T. into a tax on the middle class.

That appears to be exactly what has happened.

For example, a married person who makes just $527 a week and files her tax return separately can be subject to the tax, said David S. Hulse, an assistant professor of accounting at the University of Kentucky.

And the Taxpayer Relief Act of 1997, which allows a $500-a-child tax credit as well as education credits, may make even more middle-class families subject to the A.M.T. by reducing the value of those credits.

Two Treasury Department economists recently calculated that largely because of the new credits, the number of households making $30,000 to $50,000 who must pay the alternative minimum tax will more than triple in the coming decade. The economists, Robert Rebelein and Jerry Tempalski, also calculated that for households making $15,000 to $30,000 annually, A.M.T. payments will grow 25-fold, to $1.2 billion, by 2008.

Last year, many more people would have been subject to the A.M.T. if Congress had not made a last-minute fix pushed by Representative Richard E. Neal, Democrat of Massachusetts, that—for 1998 only—exempted the new child and education credits. The move came after I.R.S. officials told Congress that the credits added enormous complexity to calculating tax liability. Figuring out how much the A.M.T. would reduce the credits was beyond the capacity of most taxpayers and even many paid tax preparers, the I.R.S. officials said.

Even if Congress makes a permanent fix to the problems created by the child and education credits, it will put only a minor drag on the spread of the A.M.T. as long as the tax is not indexed for inflation. The two Treasury economists calculated that revenue from the tax would climb to $25 billion in 2008 without a fix, or to $21.9 billion with one.

In 1999, if there is no exemption for the credits, a single parent who does not itemize deductions but who makes $50,000 and takes a credit for the costs of caring for two children while he works, will be subject to the A.M.T. estimated Jeffrey Pretsfelder, an editor at RIA Group, a publisher of tax information for professionals.

If the tax laws are not changed, 8.8 million taxpayers will have to pay the A.M.T. a decade from now, the Congressional Joint Committee on Taxation estimated last month. Add in the taxpayers who will not receive the full value of their deductions because they run up against the limits set by the A.M.T., and the total grows to 11.6 million taxpayers—92 percent of whom have incomes of less than $200,000, the two Treasury economists estimated.

While many lawmakers and Treasury officials have criticized the impact of the tax on middle-class taxpayers, there are few signs of change, as Republicans and the Administration talk past each other.

Representative Bill Archer, the Texas Republican who as the chairman of the House Ways and Means Committee is the chief tax writer, said the A.M.T. should be eliminated in the next budget.

''Unfortunately, the A.M.T. tax can penalize large families, which is part of the reason why Republicans for years have tried to eliminate it or at least reduce it,'' Mr. Archer said. ''Unfortunately, President Clinton blocked our efforts each time.''

Lawrence H. Summers, the Deputy Treasury Secretary, said the Administration was ''very concerned that the A.M.T. has a growing impact on middle-class families, including by diluting the child credit, education credits and other crucial tax benefits, and we hope to address this issue in the President's budget.

''Subject to budget constraints, we look forward to working with Congress on this important issue,'' he continued.

That revenue concerns have thwarted exempting the middle class runs counter to the reason Congress initially imposed the tax.

''You need an A.M.T. because people who make a lot of money should pay some income taxes,'' said Mr. McIntyre, of Citizens for Tax Justice. ''If you believe, like Mr. Archer and a lot of Republicans do, that the more you make the less in taxes you should pay, then of course you are against the A.M.T. But somehow I don't think most people see it that way.''

The Klaassens, meanwhile, are challenging the A.M.T. in Federal Court. The United States Court of Appeals for the 10th Circuit is scheduled to hear arguments in March on their claim that the tax infringes their religious freedom. The Klaassens, who are Presbyterians, say they believe children ''are a blessing from God, and so we do not practice birth control,'' Mr. Klaassen said.

When Mr. Klaassen wrote to an I.R.S. official complaining that a $1,085 bill for the A.M.T. for 1994 resulted from the size of his family, he got back a curt letter saying that his ''analysis of the alternative minimum tax's effect on large families was interesting but inappropriate'' and advising him that it was medical deductions, not family size, that subjected him to the A.M.T.

Under the regular tax system, medical expenses above 7.5 percent of adjusted gross income—the last line on the front page of Form 1040—are deductible. Under the A.M.T., the threshold is raised to 10 percent.

Still doubting the I.R.S.'s math, Mr. Klaassen decided to test what would have happened had he filed the same tax return, changing only the number of children he claimed as dependents. He found that if he had seven or fewer children, the A.M.T. would not have applied in 1994.

But the eighth child set off the A.M.T., at a cost of $223. Having nine children raised the bill to $717. And 10 children, the number he had in 1994, increased that sum to $1,085—the amount the I.R.S. said was due.

''We love this country and we believe in paying taxes,'' Mr. Klaassen said. ''But we cannot believe that Congress ever intended to apply this tax to our family solely because of how many children we choose to have. And I have shown that we are subject to the A.M.T solely because we have chosen not to limit the size of our family.''

The I.R.S., in papers opposing the Klaassens, noted that tax deductions are not a right but a matter of ''legislative grace.''

Mr. Klaassen turned to the Federal courts after losing in Tax Court. The opinion by Tax Court Judge Robert N. Armen, Jr. was summed up this way by Tax Notes, a magazine that critiques tax policy: ''Congress intended the alternative minimum tax to affect large families when it made personal exemptions a preference item.''

Several tax experts said that Mr. Klaassen had little chance of success in the courts because the statute treating children as tax preferences was clear. They also said that nothing in the A.M.T. laws was specifically aimed at his religious beliefs.

Meanwhile, for people who make $200,000 or more, the A.M.T. will be less of a burden this year because of the Taxpayer Relief Act of 1997, which included a provision lowering the maximum tax rate on capital gains for both the regular tax and the A.M.T. to 20 percent.

Mr. Rebelein and Mr. Tempalski, the Treasury Department economists, calculated recently that people making more than $200,000 would pay a total of 4 percent less in A.M.T. for 1998 because of the 1997 law. By 2008, their savings will be 9 percent, largely as a result of lower capital gains rates and changed accounting rules for business owners.

''This law was passed to catch people who use tax shelters to avoid their obligations,'' Mr. Klaassen said. ''But instead of catching them it hits people like me. This is just nuts.''

### THREE WAYS TO DEAL WITH A TAXING PROBLEM

President Clinton, his tax policy advisers and the Republicans who control the tax writing committees in Congress all agree that the alternative minimum tax is a growing problem for the middle class. But there is no agreement on what to do. Here are some options that have been discussed:

Raise the exemption—Representative Bill Archer, the Texas Republican who is the chairman of the House Ways and Means Committee, two years ago proposed raising the $45,000 A.M.T. exemption for a married couple by $1,000. But that would leave many middle-class families subject to the tax, because it would not fully account for inflation. To do that would require an exemption of about $57,000, followed by automatic inflation adjustments. That is the most widely favored approach, drawing support from people like J.D. Foster, executive director of the Tax Foundation, a group supported by corporations, and Robert S. McIntyre, executive director of Citizens for Tax Justice, which is financed in part by unions and contends that the tax system favors the rich.

Exempt child and education credits—For 1998 only, Congress exempted the child tax credit and the education tax credits from the A.M.T. But millions of taxpayers will lose these credits, or get only part of them, unless Congress makes a fix each year or permanently exempts them.

Eliminate it—Mr. Archer and other Republicans want to get rid of the A.M.T. but have not proposed how to make up for the lost revenue, which in a decade is expected to grow to $25 billion annually. Recently, however, Mr. Archer has said that in a period of

Federal budget surpluses, it may be time to scrap the budget rules that require paying for tax cuts with reduced spending or tax increases elsewhere.

[From Tax Notes, Aug. 10, 1998]

EFFECT OF TRA '97 ON THE INDIVIDUAL AMT

(By Robert Rebelein and Jerry Tempalski)

Robert Rebelein and Jerry Tempalski are financial economists in the Office of Tax Analysis at the Treasury Department.

The authors believe that even without enactment of TRA '97, the estimated number of individual AMT taxpayers would have increased from 0.9 million in 1997 to 8.5 million in 2008 (a 23 percent annual growth rate). Primarily because of the new child and education credits, TRA '97 increases the number of AMT taxpayers in 2008 to 11.6 million, or 11 percent of all individual taxpayers. They project that TRA '97 increases the estimated amount of tax paid because of the individual AMT from $20.8 billion in 2008 to $25 billion.

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Even before the Taxpayer Relief Act of 1997 (TRA '97) was enacted in August 1997, the individual alternative minimum tax (AMT) had begun to receive considerable attention.[1] The reason for this attention was the increasing awareness that both the number of tax-payers[2] affected by the AMT and the AMT taxes they pay would increase significantly over the next 10 years. Without TRA '97 the number of taxpayers affected by the AMT would have grown from 0.9 million in 1997 to 8.5 million in 2008 (an annual growth rate of 23 percent); tax liability from the AMT would have grown from $5.0 billion in 1997 to $20.8 billion in 2008 (an annual growth rate of 14 percent).[3]

Since passage of TRA '97, the individual AMT has received even more attention.[4] The primary reason is that TRA '97 includes provisions that have a major effect on the individual AMT. Although some of these provisions reduce the effect of the AMT on taxpayers, the overall effect of TRA '97 is to increase significantly both the number of AMT taxpayers and the taxes they pay because of the AMT.

TRA '97 reduces overall tax liability by $27.0 billion in 2008 for individual taxpayers. The benefits of TRA '97 would be even greater if not the AMT. TRA '97 increases AMT liability by $4.2 billion in 2008. Nevertheless, taxpayers whose AMT liability is affected by TRA '97 see their overall tax liability fall by $4.5 billion in 2008.

The first section of this report discusses how the individual AMT works and why the effect of the AMT increases so sharply over the next 10 years. The second section begins by examining the overall effects of TRA '97 on the AMT and follows with a detailed, provision-by-provision examination of the effects of TRA '97 on the AMT.

## I. ALTERNATIVE MINIMUM TAX

The individual AMT is like a parallel income tax to the regular individual tax. The AMT is structured similarly to the regular tax, but the AMT uses a generally broader tax base, lower tax rates, higher exemption, and fewer allowable tax credits.

The AMT was generally intended to apply only to the relatively few high-income taxpayers who Congress believed overused certain tax deductions, exclusions, or credits and consequently were not paying their fair share of taxes. The AMT, however, increasingly affects many taxpayers not traditionally viewed as taking aggressive tax positions or abusing the system. In addition, the AMT can also significantly complicate filing a tax return for millions of taxpayers, particularly those with personal tax credits, who often are supposed to make tedious calculations only to determine they have no AMT liability.

The primary reason for the increase in the number of AMT taxpayers is that, unlike regular income tax parameters, AMT parameters (primarily the AMT exemption) are not indexed for inflation.[5] As nominal income rises each year, partially as a result of inflation, more taxpayers become subject to the AMT. In addition, the lack of AMT indexing exposes other anomalies that also may not have been intended.[6] For example, the AMT does not allow deductions for personal exemptions or state and local taxes paid. As a result, taxpayers with large families are more likely to be affected by the AMT than taxpayers with small families, and taxpayers living in high-tax states are more likely to be affected by the AMT than taxpayers living in low-tax states.

### *A. Structure of the AMT*

A taxpayer's AMT liability is the difference between a taxpayer's regular income tax liability (before any interaction with the AMT) and the taxpayer's tentative AMT (TAMT). TAMT is calculated using AMT income (AMTI), the AMT exemption, AMT tax rates, and allowable AMT credits.[7]

AMT is the sum of taxable income under the regular tax (as calculated on Form 1040) plus the many AMT preferences.[8] AMT preferences are items excluded from taxable income under the regular tax but included in AMTI. There were 28 AMT preferences in 1995, with 4 items accounting for 86 percent (in dollar terms) of total AMT preferences: state and local tax deductions accounted for 46 percent, miscellaneous deductions above the 2-percent floor for 19 percent, personal exemptions for 13 percent, and post-1986 depreciation for 8 percent. With the possible exception of the last item, these are not tax-shelter type preferences.

The AMT exemption is $45,000 for joint returns ($33,750 for singles and heads-of-household (HH)); the exemption is not adjusted for inflation nor is it based on the number of dependents. The exemption is phased out at the rate of $0.25 per $1 of AMTI above $150,000 for joint returns ($112,500 for singles and HH). The AMT tax rate is 26 percent on the first $175,000 of AMTI above the AMT exemption and 28 percent on AMTI more than $175,000 above the exemption.[9]

The AMT affects taxpayers primarily in two ways.[10] First, a taxpayer can be directly subject to the AMT by having AMT liability as calculated on the AMT form (Form 6251). The difference between a taxpayer's regular tax liability (before other taxes and credits, except the foreign tax credit) and his TAMT is the taxpayer's AMT liability from Form 6251.

Second, a taxpayer can be indirectly subject to the AMT by having the amount of usable tax credits reduced by the AMT. The AMT can limit the ability of a taxpayer to use tax credits, because the AMT disallows the use of most credits in calculating TAMT. Put differently, most tax credits cannot be used in calculating a taxpayer's regular tax liability if they would push the taxpayer's regular tax liability below his TAMT. The effect of credits ''lost'' because of this AMT restriction is reflected on the credit forms themselves, rather than on Form 6251.[11] For example, if a taxpayer has regular tax liability (before tax credits) of $1,000, $200 in education credits, and $600 in TAMT, the taxpayer has a total tax liability of $800 ($1,000 less $200), with no AMT liability. If, instead, the taxpayer had a TAMT of $1,050, the taxpayer would have a total tax liability of $1,050. This taxpayer's AMT liability would be $250, $50 that would be reported on the Form 6251 ($1,050 less $1,000) and $200 ($1,000 less $800) that would be reported on the education credit form as reduced allowable credits.

## II. TAXPAYER RELIEF ACT OF 1997

TRA '97 contains six provisions that can significantly affect the individual AMT:[12] Child credit; HOPE education credit; lifetime Learning credit; conformation of AMT depreciation lives with regular tax lives; kiddie tax simplification; and capital gains rate cut.

Three of these provisions generally increase the effect of the AMT on taxpayers—the child credit, the HOPE education credit, and the Lifetime Learning education credit. Two provisions generally reduce the effect of the AMT on taxpayers—conform AMT depreciation lives to regular tax depreciation lives, and raise the minimum AMT exemption for kiddie-tax tax payers and uncouple their AMT exemption from their parents' AMT exemption.[13] The capital gains rate cut reduces AMT liability for some taxpayers but increases AMT liability for others.

### *A. Overall effect*

Relative to pre-TRA '97 law, TRA '97 increases the number of taxpayers on the AMT by between 37 and 58 percent each year from 1998 to 2008. (See Table 1.) This percentage is generally lower at the end of the period when the number of AMT taxpayers under pre-TRA '97 law is already relatively high; TRA '97 increases the number of AMT taxpayers by 58 percent (0.7 million) in 1999, but only by 37 percent (3.2 million) in 2008.

Although TRA '97 increases the overall number of AMT taxpayers, it does eliminate the effect of the AMT on some taxpayers. TRA '97 removes about 15 percent of the taxpayers with AMT liability under pre-TRA '97 law from the AMT (0.2 million in 1999, 0.3 million in 2002, and 0.9 million in 2008). The majority of taxpayers removed from the AMT by TRA '97 have AGIs of less than $15,000.

Under pre-TRA '97 law the number of AMT taxpayers, as a percentage of total taxpayers, grows from 1 percent in 1997, to 2 percent in 2002, and to 8 percent in 2008, Under post-TRA '97 law this percentage grows to 3 percent in 2002 and to 11 percent in 2008.[14]

TRA '97 significantly increases the percentage of AMT taxpayers with AGIs between $15,000 and $100,000 of AGI (in 1999 dollars). (See Tables 2 and 3.) In 1999 taxpayers in this income range account for 32 percent of all AMT taxpayers under pre-TRA '97 law and 57 percent under post-TRA '97 law; in 2008 the pre-TRA '97 percentage is 45 percent and the post-TRA '97 percentage is 65 percent. The percentage of taxpayers in this income range who are subject to the AMT in 2008 is 5 percent under pre-TRA '97 law, but 10 percent under post-TRA '97 law. Taxpayers in this income range are the primary beneficiaries of the child and education credits, so it is not surprising that they feel the pinch of the AMT most.

For taxpayers in the other income groups, TRA '97 sometimes reduces the effect of the AMT. Taxpayers with less than $15,000 in real AGI are the primary beneficiaries of the kiddie-tax provision and account for a significant amount of the benefits from the depreciation provision. Most taxpayers with real AGIs above $100,000 are ineligible for the new credits, and many benefit from the depreciation provision.

From 1998 to 2008, TRA '97 increases AMT liability by between 5 percent and 20 percent each year relative to pre-TRA '97 law. (See

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Footnotes at end of article.

Table 4.) AMT liability increases by $0.5 billion in 1998, by $0.5 billion in 2002, and by $4.2 billion in 2008. The effect of TRA '97 on AMT liability is smallest in 2000 and 2001, when relatively few child and education credits are lost because of the AMT and when the effect of the depreciation provision is relatively large. In 2008, the effect of the TRA '97 law on AMT liability is largest because the amount of TRA '97 credits lost is relatively large.

TRA '97 significantly changes the distribution of AMT liability between lost credits (i.e., tax credits unusable because of the AMT) and liability from the AMT form. (See Table 4.) Under pre-TRA '97 law roughly three times as many taxpayers have AMT liability from the AMT form than have lost credits. Under post-TRA '97 law the number of taxpayers with lost credits is actually greater (by roughly 20 percent) than the number with AMT liability from the AMT form.[15]

*B. Effects of individual TRA '97 provisions*

1. Child and education credits. The TRA '97 provisions having the greatest effect on the AMT are the child credit and the two education credits. All three credits can reduce a taxpayer's regular tax liability, but, like most tax credits, their use can be limited (or even eliminated) by a taxpayer's TAMT.[16]

The number of taxpayers who benefit from the child credit and education credits decreases in almost every year over the 1998-to-2008 period. (See Table 5.) There are two primary reasons for these annual decreases. First, the income-eligibility thresholds for the child credit are not indexed for inflation. As a taxpayer's income increases each year, the amount of the child credit a taxpayer near the thresholds can take is reduced. For example, a joint taxpayer with one child who had $100,000 in modified AGI in 1999 would be eligible for the full $500 child credit. If that taxpayer's income increased each year by the inflation rate, the taxpayer's modified AGI would be about $122,000 in 2008 and the taxpayer would be ineligible for the child credit. Second, because the individual AMT parameters are not indexed for inflation, each year the AMT completely eliminates the credits for an increasing number of taxpayers. The number of taxpayers who completely lose the credits because of the AMT is 0.3 million in 1999, 0.5 million in 2002, and 2.3 million in 2008.

The following sections discuss the effect of the child credit first, the two education credits second, and the combined effect of the three credits third.

a. Child credit. Effective January 1, 1998 the child credit allows a $500 tax credit for each dependent child under age 17 at year-end.[17] The credit is reduced by $50 for each $1,000 of modified AGI for joint returns with modified AGI above $110,000 ($75,000 for singles and HH).

The number of taxpayers whose child credit is reduced or eliminated by the AMT grows at a 25-percent annual rate, from 0.6 million in 1998 to 6.0 million in 2008 (See Table 3.) The number of taxpayers added to the AMT because of the child credit grows from 0.3 million in 1998 to 0.9 million in 2002 and to 2.5 million in 2008; the amount of child credits lost because of the AMT grows from $0.3 billion in 1998 to $0.9 billion in 2002, and to $3.5 billion in 2008.

b. Education credits.[18] Effective January 1, 1998, the $1,500 HOPE tax credit is available for college tuition and certain fees incurred. For each student, the HOPE credit covers the first $1,000 and 50 percent of the next $1,000 in education expenses incurred in the first two years of college. The credit is phased-out ratably for joint taxpayers with modified AGI between $80,000 and $100,000 ($40,000 and $50,000 for singles).[19]

Beginning July 1, 1998, a taxpayer can elect to take a lifetime learning (LL) credit rather than a HOPE credit for a qualifying student. Through December 31, 2002, the LL credit equals 20 percent of the first $5,000 in education expenses ($1,000 maximum credit). After December 31, 2002, the credit equals 20 percent of the first $10,000 in expenses ($2,000 maximum credit). The credit is phased-out ratably for joint taxpayers with modified AGI between $80,000 and $100,000 ($40,000 and $50,000 for singles).[20]

Because fewer taxpayers benefit from the education credits than the child credit, the effect of the AMT on the education credits is less than the effect on the child credit. (See Table 5.) The number of taxpayers who have their education credits reduced or eliminated because of the AMT grows from 0.4 million in 1998 to 2.5 million in 2008, a 20-percent annual growth rate. The number of taxpayers added to the AMT because of the education credits grows from 0.3 million in 1998 to 0.6 million in 2002 and to 1.3 million in 2008. The amount of education credits lost because of the AMT grows from $0.3 billion in 1998 to $0.6 billion in 2002 and to $2.1 billion in 2008.

c. Child and education credits combined. Because double-counting is removed, the effect of the AMT on the child credit and education credits combined is less than the sum of the individual effects. The number of taxpayers with TRA '97 credits reduced or eliminated by the AMT grows from 0.8 million in 1998 to 6.7 million in 2008, a 23-percent annual rate. The number of taxpayers added to the AMT because of these credits grows from 0.6 million in 1998 to 1.3 million in 2002 and to 3.8 million in 2008, and the amount of these credits lost because of the AMT grows from $0.5 billion in 1998 to $1.2 billion in 2002 and to $5.1 billion in 2008.

The increase in the percentage of taxpayers whose child and education credits are reduced or eliminated by the AMT is striking. In 1998 34.1 million taxpayers would be eligible for the credits in the absence of the AMT; of these taxpayers, 3 percent have their credits reduced or eliminated by the AMT. In 2002 and 2008 the number of taxpayers eligible for the credits in the absence of the AMT is almost the same as in 1998, but the percentage whose credits are reduced or eliminated by the AMT is 6 percent in 2002 and 20 percent in 2008.

2. Other TRA '97 provisions. The effects of the three other TRA '97 provisions on the AMT are much smaller than the effects of the three credit provisions.

a. Depreciation. The provision to conform AMT depreciation lives to regular tax lives primarily affects corporate AMT taxpayers. The provision affects some individual AMT taxpayers (0.4 million in 2008), however, and the average benefit from the provision per individual-tax taxpayer is substantial, $2,300 in 2008. The total benefit to individual tax taxpayers grows from $0.2 billion in 1999 to $0.7 billion in 2002 and to $0.8 billion in 2008.

b. Kiddie tax. The provision to raise the minimum AMT exemption for kiddie-tax taxpayers from $1,000 to $5,000 and uncouple a dependent's AMT exemption from his parents' (or sibling's) AMT exemption is a simplification provision designed to benefit a significant number of taxpayers at relatively little cost to the government. The number of taxpayers who benefit from the proposal (0.5 million in 2008) is about the same as the number of individual taxpayers who benefit from the depreciation provision, but the cost to the government is much lower—less than $100 per taxpayer. The total benefit of the kiddie tax provision to taxpayers is $5 million in 1998 and grows to $20 million in 2008.

c. Capital gains. The capital gains provision limits the AMT tax rate on capital gains to 20 percent (the limit is 10 percent for taxpayers in the 15-percent regular tax bracket).[21] The provision can lower the AMT liability for taxpayers whose AMT tax rate on capital gains falls by more than their regular tax rate on capital gains (i.e., those whose TAMT falls by more than their regular tax liability). Consider, for example, a taxpayer who faced a pre-TRA '97 regular tax capital gains rate of 28 percent and a pre-TRA '97 AMT rate of 32.5 percent (combined effect of 26-percent statutory AMT rate and phase-out of AMT exemption). TRA '97 decreases this taxpayer's regular-tax rate on capital gains by 8 percentage points and her AMT rate on capital gains by 12.5 percentage points. This taxpayer's regular-tax liability is reduced by less than her TAMT, so the capital gains provision reduces the effect of the AMT on this taxpayer. On the other hand, consider a taxpayer who faced a pre-TRA '97 regular tax capital gains rate of 28 percent and a pre-TRA AMT rate of 26 percent. TRA '97 decreases this taxpayer's regular-tax rate on capital gains by 8 percentage points and her AMT rate on capital gains by 6 percentage points. This taxpayer's regular-tax liability is reduced by more than her TAMT, so the capital gains provision increases the effect of the AMT on this taxpayer. In no case, however, can the capital gains rate cut increase AMT liability so as to completely offset the reduced regular tax liability.

On net, the capital gains provision increases the number of AMT taxpayers by 0.3 million in each year of the 1998–2008 period. The number of taxpayers added to the AMT because of the capital gains provision is about 0.4 million in each year, and the number of taxpayers removed from the AMT is about 0.1 million each year.[22]

The provision essentially does not change AMT liability over the period. Taxpayers with increased AMT liability incur between $0.5 billion and $0.8 billion in increased AMT liability in each year of the period; this increased liability is almost exactly offset each year by decreased AMT liability for other tax-payers.

## III. CONCLUSION

Before TRA '97 was enacted, many tax experts were aware that the individual AMT had serious long-run problems that needed fixing. The number of taxpayers who would face the potentially daunting task of filling out the AMT form and paying AMT taxes would increase to such a high level within the next several years that significant pressure to reform the AMT would arise. Despite its generally beneficial effect on taxpayers, TRA '97 exacerbated the AMT problem considerably and probably increased the pressure for AMT reform.

[1] See, e.g., Robert P. Harvey and Jerry Tempalski, ''The Individual AMT: Why It Matters,'' National Tax Journal; Vol. L, No. 3; September 1997, p. 453; Martin A. Sullivan, ''The Individual AMT: Nowhere to Go But Up,'' Highlights & Documents, October 24, 1996, p. 773.

[2] For estimates presented in this report, a couple filing a joint return counts as one taxpayer.

[3] All post-1995 numbers in this report are estimates made using the Treasury Department's Individual Tax Model and the Clinton Administration's economic forecast from the FY99 Budget.

[4] Lee A. Sheppard, ''Tax Accounting for 'No-Necked Monsters','' Tax Notes, Aug. 3, 1998, p. 524. See, e.g., Albert B. Crenshaw, ''Now You See It, Now You Don't: Tax Law to Make Benefits Disappear.'' The Washington Post, September 17, 1997, p. C9, C11; Albert B. Crenshaw, ''More People Feel the Pinch of the Alternative Minimum Tax,'' The Washington Post, September 21, 1997, p. H1, H4;'' AMT, Cash Machine,'' The Wall Street Journal, October 8, 1997, p. A22.

[5] Since 1985, regular income tax parameters have been indexed for inflation.

[6] These other anomalies may not have been viewed as significant when most taxpayers subject to the

AMT had tax-shelter type preferences; the anomalies are more troublesome when even taxpayers with no preferences of that type are subject to the AMT.

[7] For a detailed discussion of how the AMT works, see Harvey and Tempalski (1997).

[8] Personal exemptions are treated here as an AMT preference.

[9] For taxpayers in the phase-out range of the AMT exemption, the 26 percent AMT tax rate effectively becomes a 32.5 percent rate and the 28 percent rate becomes a 35 percent rate.

[10] For a small number of taxpayers, the AMT can affect taxpayers in a third way. Because the AMT treats the standard deduction as a preference item, some taxpayers with itemized deductions less than the standard deduction can lower their overall tax liability if they itemize deductions rather than take the standard deduction. This tax-minimizing behavior could occur if most itemized deductions are not AMT preferences (e.g., charitable contributions). For these taxpayers, itemizing increases regular tax liability but lowers AMT liability even more, thus decreasing total tax liability.

[11] A few of these ''lost'' credits, particularly general business credits, can be carried back or carried forward, so they may not be permanently lost.

[12] Except for some taxpayers who voluntarily increase their capital gains realizations because of the capital gains rate cut, nearly all taxpayers affected by the six provisions have their overall tax liability reduced by the provisions.

[13] The kiddie-tax provision can increase the effect of the AMT for a very small number of taxpayers, less than 3,000 in 2008. The additional AMT liability for these taxpayers totals less than $1 million in 2008.

[14] TRA '97 affects the percentage of taxpayers on the AMT in two ways. First, it increases the number of AMT taxpayers by 3.2 million in 2008. Second, it decreases the total number of taxpayers by 3.9 million in 2008, primarily because of the child and education credits.

[15] This point is important in examining IRS data. IRS data does not indicate the amount of tax credits lost because of the AMT. IRS data only reports AMT liability from Form 6251. Only researchers with access to a microsimulation computer model using actual tax return data can determine the amount of lost credits.

[16] For taxpayers with three or more children, the child credit is not directly limited by TAMT. The credit is, however, reduced by any final AMT liability reported on the AMT form.

[17] The child credit is $400 in 1998.

[18] Because the two education credits are substitutes for each other for many taxpayers, they are discussed together in this section.

[19] The credit amount and the income limits for the credit are indexed for inflation occurring after 2000.

[20] The income limits for the credit are indexed for inflation occurring after 2000.

[21] Under pre-TRA '97 law, capital gains under the AMT were taxed at the same rate as other AMTI.

[22] The numbers discussed here include the effects of increased capital gains realizations resulting from the lower capital gains tax rate. The effect of the increased realizations on the AMT is very small.

TABLE 1.—NUMBER OF AMT TAXPAYERS

[By calendar years, in millions]

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Compound annual growth rate (percent) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of AMT taxpayers: | | | | | | | | | | | | | |
| Post-TRA '97: | | | | | | | | | | | | | |
| Number with only AMT liability from Form 6251 | 0.6 | 0.5 | 0.6 | 0.7 | 0.8 | 1.0 | 1.3 | 1.6 | 1.9 | 2.4 | 3.1 | 4.0 | 19 |
| Number with only ''lost'' credits | 0.1 | 0.8 | 1.0 | 1.2 | 1.4 | 1.6 | 2.1 | 2.5 | 3.1 | 3.7 | 4.1 | 4.7 | 42 |
| Number with both | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.9 | 1.1 | 1.4 | 1.8 | 2.4 | 2.9 | 28 |
| Total [1] | 0.9 | 1.6 | 2.0 | 2.4 | 2.8 | 3.3 | 4.3 | 5.2 | 6.4 | 8.0 | 9.5 | 11.6 | 26 |
| Pre-TRA '97: | | | | | | | | | | | | | |
| Number with only AMT liability from Form 6251 | 0.6 | 0.7 | 0.9 | 1.1 | 1.4 | 1.7 | 2.1 | 2.7 | 3.2 | 4.3 | 5.2 | 6.6 | 24 |
| Number with only ''lost'' credits | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.4 | 0.5 | 0.5 | 0.6 | 0.8 | 21 |
| Number with both | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.4 | 0.5 | 0.5 | 0.7 | 0.9 | 1.1 | 17 |
| Total [1] | 0.9 | 1.1 | 1.3 | 1.5 | 1.9 | 2.2 | 2.8 | 3.5 | 4.2 | 5.5 | 6.7 | 8.5 | 23 |
| Change caused by TRA '97: | | | | | | | | | | | | | |
| Number with only AMT liability from Form 6251 | N/A | −0.2 | −0.3 | −0.4 | −0.5 | −0.6 | −0.8 | −1.1 | −1.3 | −1.8 | −2.2 | −2.6 | |
| Number with only ''lost'' credits | N/A | 0.6 | 0.8 | 1.0 | 1.2 | 1.4 | 1.8 | 2.1 | 2.6 | 3.2 | 3.5 | 3.9 | |
| Number with both | N/A | 0.1 | 0.2 | 0.3 | 0.3 | 0.4 | 0.5 | 0.7 | 0.9 | 1.2 | 1.5 | 1.9 | |
| Total [1] | N/A | 0.6 | 0.7 | 0.8 | 0.9 | 1.1 | 1.5 | 1.7 | 2.2 | 2.5 | 2.8 | 3.2 | |
| Number of returns added to AMT | N/A | 0.7 | 0.9 | 1.0 | 1.3 | 1.5 | 1.9 | 2.2 | 2.8 | 3.3 | 3.6 | 4.0 | |
| Number of returns removed from AMT | N/A | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.4 | 0.5 | 0.6 | 0.8 | 0.8 | 0.9 | |
| Percentage change caused by TRA '97: | | | | | | | | | | | | | |
| Number with only AMT liability from Form 6251 | N/A | −28% | −35% | −36% | −40% | −39% | −39% | −41% | −40% | −43% | −42% | −39% | |
| Number with only ''lost '' credits | N/A | 394% | 469% | 434% | 491% | 519% | 560% | 554% | 565% | 577% | 575% | 492% | |
| Number with both | N/A | 80% | 101% | 118% | 117% | 121% | 139% | 153% | 157% | 165% | 166% | 173% | |
| Total | N/A | 51% | 58% | 54% | 51% | 50% | 54% | 49% | 52% | 45% | 41% | 37% | |
| Total number of taxpayers: | | | | | | | | | | | | | |
| Post-TRA '97 | 93.1 | 90.6 | 91.5 | 92.6 | 93.9 | 95.5 | 96.5 | 98.0 | 99.5 | 100.8 | 102.4 | 103.9 | |
| Percentage of taxpayers on AMT | 1% | 2% | 2% | 3% | 3% | 3% | 4% | 5% | 6% | 8% | 9% | 11% | |
| Pre-TRA '97 | 93.1 | 94.0 | 95.4 | 96.5 | 97.8 | 99.2 | 100.6 | 102.0 | 103.5 | 104.7 | 106.3 | 107.8 | |
| Percentage of taxpayers on AMT | 1% | 1% | 1% | 2% | 2% | 2% | 3% | 3% | 4% | 5% | 6% | 8% | |

[1] Taxpayers affected by the AMT can have both ''lost'' credits and AMT liability from Form 6251.

Source: Treasury Department Individual Tax Model.

TABLE 2.—AGI DISTRIBUTION OF TRA '97 EFFECT ON AMT IN 1999

| AGI (in dollars) | AMT Liability[1] ($ millions) | | | | Number of AMT Taxpayers[2] (thousands of returns) | | | |
|---|---|---|---|---|---|---|---|---|
| | Post-TRA '97 | Pre-TRA '97 | Difference | Percentage change | Post-TRA '97 | Pre-TRA '97 | Difference | Percentage change |
| Less than 0 | 66 | 129 | −63 | −49 | 4 | 6 | −2 | −33 |
| 0–15,000 | 12 | 20 | −8 | −40 | 54 | 149 | −95 | −64 |
| 15,000–30,000 | 48 | 14 | 34 | 243 | 143 | 8 | 135 | 1688 |
| 30,000–50,000 | 128 | 46 | 82 | 178 | 205 | 59 | 146 | 247 |
| 50,000–75,000 | 398 | 206 | 192 | 93 | 357 | 128 | 229 | 179 |
| 75,000–100,000 | 652 | 388 | 264 | 68 | 445 | 207 | 238 | 115 |
| 100,000–200,000 | 1,415 | 1,328 | 87 | 7 | 452 | 396 | 56 | 14 |
| 200,000 and over | 3,857 | 4,000 | −143 | −4 | 344 | 316 | 28 | 9 |
| Total | 6,576 | 6,131 | 445 | 7 | 2,004 | 1,269 | 735 | 58 |
| as percentage of total | | | | | | | | |
| Less than 0 | 1 | 2 | −14 | | 0 | 0 | 0 | |
| 0–15,000 | 0 | 0 | −2 | | 3 | 12 | −13 | |
| 15,000–30,000 | 1 | 0 | 8 | | 7 | 1 | 18 | |
| 30,000–50,000 | 2 | 1 | 18 | | 10 | 5 | 20 | |
| 50,000–75,000 | 6 | 3 | 43 | | 18 | 10 | 31 | |
| 75,000–100,000 | 10 | 6 | 59 | | 22 | 16 | 32 | |
| 100,000–200,000 | 22 | 22 | 20 | | 23 | 31 | 8 | |
| 200,000 and over | 59 | 65 | −32 | | 17 | 25 | 4 | |
| Total | 100 | 100 | 100 | | 100 | 100 | 100 | |

[1] Includes lost credits.

[2] Includes taxpayers who only have lost credits.

Source: Treasury Department Individual Tax Model.

TABLE 3.—AGI DISTRIBUTION OF TRA '97 EFFECT ON AMT IN 2008

| AGI [1] (in dollars) | AMT Liability[1] ($ millions) | | | | Number of AMT Taxpayers[2] (thousands of returns) | | | |
|---|---|---|---|---|---|---|---|---|
| | Post-TRA '97 | Pre-TRA '97 | Difference | Percentage change | Post-TRA '97 | Pre-TRA '97 | Difference | Percentage change |
| Less than 0 | 91 | 176 | −85 | −48 | 14 | 18 | −4 | −22 |
| 0–15,000 | 15 | 50 | −35 | −70 | 91 | 753 | −662 | −88 |
| 15,000–30,000 | 135 | 38 | 97 | 255 | 251 | 34 | 217 | 638 |
| 30,000–50,000 | 1,161 | 455 | 706 | 155 | 1,417 | 595 | 822 | 138 |
| 50,000–75,000 | 4,130 | 1,615 | 2,515 | 156 | 3,431 | 1,592 | 1,839 | 116 |
| 75,000–100,000 | 3,766 | 2,208 | 1,558 | 71 | 2,412 | 1,558 | 854 | 55 |
| 100,000–200,000 | 7,508 | 7,312 | 196 | 3 | 3,057 | 2,939 | 118 | 4 |
| 200,000 and over | 8,179 | 8,975 | −796 | −9 | 965 | 986 | −21 | −2 |
| Total | 24,985 | 20,829 | 4,156 | 20 | 11,638 | 8,475 | 3,163 | 37 |
| as percentage of total | | | | | | | | |
| Less than 0 | 0 | 1 | −2 | | 0 | 0 | −0 | |
| 0–15,000 | 0 | 0 | −1 | | 1 | 9 | −21 | |
| 15,000–30,000 | 1 | 0 | 2 | | 2 | 0 | 7 | |
| 30,000–50,000 | 5 | 2 | 17 | | 12 | 7 | 26 | |
| 50,000–75,000 | 17 | 8 | 61 | | 29 | 19 | 58 | |
| 75,000–100,000 | 15 | 11 | 37 | | 21 | 18 | 27 | |
| 100,000–200,000 | 30 | 35 | 5 | | 26 | 35 | 4 | |
| 200,000 and over | 33 | 43 | −19 | | 8 | 12 | −1 | |
| Total | 100 | 100 | 100 | | 100 | 100 | 100 | |

[1] In 1999 dollars.
[2] Includes lost credits.
[3] Includes taxpayers who only have lost credits.
Source: Treasury Department Individual Tax Model.

TABLE 4.—INDIVIDUAL AMT LIABILITY

[Calendar years; ($ billions)]

| AMT liability | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Compound annual growth rate (percent) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Post-Taxpayer Relief Act of 1997: | | | | | | | | | | | | | |
| Form 6251 | 3.0 | 3.3 | 3.5 | 3.9 | 4.4 | 5.1 | 6.0 | 7.1 | 8.4 | 10.2 | 12.3 | 15.3 | 16 |
| "Lost" credits | 2.0 | 2.7 | 3.0 | 3.3 | 3.6 | 4.0 | 4.7 | 5.3 | 6.2 | 7.3 | 8.4 | 9.7 | 16 |
| Total | 5.0 | 6.0 | 6.6 | 7.2 | 8.0 | 9.1 | 10.7 | 12.4 | 14.5 | 17.4 | 20.6 | 25.0 | 16 |
| Pre-Taxpayer Relief Act of 1997: | | | | | | | | | | | | | |
| Form 6251 | 3.0 | 3.4 | 3.8 | 4.4 | 5.0 | 5.7 | 6.7 | 7.8 | 9.2 | 11.1 | 13.2 | 16.1 | 17 |
| "Lost" credits | 2.0 | 2.1 | 2.3 | 2.5 | 2.7 | 2.9 | 3.1 | 3.3 | 3.6 | 4.0 | 4.3 | 4.7 | 8 |
| Total | 5.0 | 5.5 | 6.1 | 6.9 | 7.6 | 8.6 | 9.8 | 11.2 | 12.8 | 15.0 | 17.5 | 20.8 | 14 |
| Change caused by TRA '97: | | | | | | | | | | | | | |
| Form 6251 | N/A | −0.1 | −0.3 | −0.5 | −0.6 | −0.6 | −0.7 | −0.8 | −0.8 | −0.9 | −0.9 | −0.9 | |
| "Lost" credits | N/A | 0.6 | 0.7 | 0.8 | 0.9 | 1.1 | 1.6 | 2.0 | 2.6 | 3.3 | 4.1 | 5.0 | |
| Total | N/A | 0.5 | 0.4 | 0.3 | 0.4 | 0.5 | 0.9 | 1.2 | 1.7 | 2.4 | 3.2 | 4.2 | |
| Percentage change caused by TRA '97: | | | | | | | | | | | | | |
| Form 6251 | N/A | −3 | −8 | −11 | −11 | −11 | −10 | −10 | −9 | −8 | −7 | −5 | |
| "Lost" credits | N/A | 27 | 32 | 34 | 35 | 39 | 53 | 59 | 71 | 83 | 94 | 106 | |
| Total | N/A | 9 | 7 | 5 | 5 | 6 | 10 | 11 | 14 | 16 | 18 | 20 | |

Source: Treasury Department Individual Tax Model.

TABLE 5.—EFFECTS OF INDIVIDUAL TRA '97 PROVISIONS ON THE INDIVIDUAL AMT [1, 2]

[Number of taxpayers in millions, dollars in billions]

| | Calendar year | | | | | | | | | | | Compound annual growth rate (percent) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | |
| 1. Child Credit: | | | | | | | | | | | | |
| Number of taxpayers benefitting [3] | 25.8 | 26.0 | 25.9 | 25.8 | 25.7 | 25.4 | 25.2 | 24.8 | 24.3 | 23.7 | 22.8 | −1 |
| Number of taxpayers with credit reduced or eliminated by AMT | 0.6 | 0.9 | 1.1 | 1.3 | 1.6 | 2.2 | 2.7 | 3.4 | 4.3 | 5.0 | 6.0 | 25 |
| Reduced | 0.3 | 0.5 | 0.6 | 0.9 | 1.0 | 1.3 | 1.6 | 2.0 | 2.5 | 2.8 | 3.1 | 25 |
| Eliminated | 0.3 | 0.4 | 0.4 | 0.5 | 0.6 | 0.9 | 1.1 | 1.4 | 1.8 | 2.2 | 2.8 | 25 |
| Change in number of AMT taxpayers | 0.3 | 0.5 | 0.6 | 0.8 | 0.9 | 1.1 | 1.3 | 1.7 | 2.0 | 2.3 | 2.5 | |
| Change in tax liability from AMT | 0.3 | 0.5 | 0.6 | 0.7 | 0.9 | 1.2 | 1.5 | 1.8 | 2.3 | 2.8 | 3.5 | |
| 2. Education Credits: | | | | | | | | | | | | |
| Number of taxpayers benefitting [3] | 12.1 | 11.9 | 11.8 | 11.6 | 11.6 | 11.5 | 11.4 | 11.3 | 11.1 | 10.9 | 10.6 | −1 |
| Number of taxpayers with credit reduced or eliminated by AMT | 0.4 | 0.5 | 0.6 | 0.7 | 0.9 | 1.2 | 1.4 | 1.7 | 2.0 | 2.2 | 2.5 | 20 |
| Reduced | 0.3 | 0.4 | 0.4 | 0.5 | 0.6 | 0.8 | 0.9 | 1.0 | 1.1 | 1.2 | 1.3 | 16 |
| Eliminated | 0.1 | 0.2 | 0.2 | 0.2 | 0.3 | 0.4 | 0.5 | 0.7 | 0.8 | 1.0 | 1.3 | 26 |
| Change in number of AMT taxpayers | 0.3 | 0.4 | 0.5 | 0.6 | 0.6 | 0.8 | 0.9 | 1.0 | 1.2 | 1.2 | 1.3 | |
| Change in tax liability from AMT | 0.3 | 0.3 | 0.4 | 0.5 | 0.6 | 0.9 | 1.1 | 1.4 | 1.6 | 1.8 | 2.1 | |
| 3. Child and Education Credits Combined: | | | | | | | | | | | | |
| Number of taxpayers benefitting [3] | 33.8 | 34.0 | 33.9 | 33.9 | 33.9 | 33.8 | 33.7 | 33.5 | 33.1 | 32.6 | 31.7 | −1 |
| Number of taxpayers with credit reduced or eliminated by AMT | 0.8 | 1.1 | 1.3 | 1.6 | 1.9 | 2.6 | 3.2 | 3.9 | 4.9 | 5.7 | 6.7 | 23 |
| Reduced | 0.6 | 0.8 | 0.9 | 1.2 | 1.4 | 1.9 | 2.3 | 2.9 | 3.5 | 3.9 | 4.4 | 23 |
| Eliminated | 0.3 | 0.3 | 0.4 | 0.4 | 0.5 | 0.7 | 0.8 | 1.0 | 1.3 | 1.7 | 2.3 | 24 |
| Change in number of AMT taxpayers | 0.6 | 0.8 | 0.9 | 1.1 | 1.3 | 1.8 | 2.1 | 2.6 | 3.1 | 3.5 | 3.8 | |
| Change in tax liability from AMT | 0.5 | 0.7 | 0.8 | 1.0 | 1.2 | 1.8 | 2.2 | 2.8 | 3.5 | 4.2 | 5.1 | |
| 4. Conform Recovery Periods for AMT Depreciation With Recovery Periods for Regular-tax Depreciation: | | | | | | | | | | | | |
| Number of taxpayers benefitting | N/A | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.4 | 10 |
| Change in number of AMT taxpayers | N/A | −0.0 | −0.0 | −0.0 | −0.0 | −0.1 | −0.1 | −0.1 | −0.1 | −0.1 | −0.1 | |
| Change in tax liability from AMT | N/A | −0.2 | −0.4 | −0.5 | −0.7 | −0.8 | −0.9 | −0.9 | −1.0 | −0.9 | −0.8 | |
| 5. Change AMT Exemption for Kiddie-Tax Taxpayers: | | | | | | | | | | | | |
| Number of taxpayers benefitting | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.4 | 0.4 | 0.5 | 24 |
| Change in number of AMT taxpayers | −0.0 | −0.1 | −0.1 | −0.1 | −0.1 | −0.1 | −0.2 | −0.2 | −0.4 | −0.4 | −0.5 | |
| Change in tax liability from AMT | −0.01 | −0.01 | −0.01 | −0.01 | −0.01 | −0.01 | −0.01 | −0.01 | −0.02 | −0.02 | −0.02 | |
| 6. Lower Regular-Tax Capital Gains Rate and Conform AMT Capital Gains Rate [4] | | | | | | | | | | | | |
| Change in number of AMT taxpayers | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Change for taxpayers with increased AMT liability | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Change for taxpayers with decreased AMT liability | −0.0 | −0.0 | −0.0 | −0.0 | −0.0 | −0.1 | −0.1 | −0.1 | −0.1 | −0.1 | −0.1 | |

TABLE 5.—EFFECTS OF INDIVIDUAL TRA '97 PROVISIONS ON THE INDIVIDUAL AMT [1, 2]—Continued

[Number of taxpayers in millions, dollars in billions]

| | Calendar year | | | | | | | | | | | Compound annual growth rate (percent) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | |
| Change in tax liability from AMT | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | |
| Change for taxpayers with increased AMT liability | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 | |
| Change for taxpayers with decreased AMT liability | −0.5 | −0.5 | −.05 | −0.5 | −0.5 | −0.6 | −0.6 | −0.7 | −0.7 | −0.8 | −0.9 | |

Source: Treasury Department Individual Tax Model.

[1] Estimates on this table are not directly comparable with estimates contained on either Tables 1 or 4. Except for No. 3 above, estimates on this table are for single TRA '97 provisions only, with no interactions. Estimates in Tables 1 and 4 show the effects of all provisions, including interaction effects.

[2] Provisions are ''stacked last'' for purposes of these estimates (i.e., estimates are based on the difference in revenue between post-TRA '97 and post-TRA '97 law with the provision under examination removed).

[3] Number excludes taxpayers who lose entire total amount of new credits because of the AMT.

[4] Includes effects of increased capital gains realizations caused by lower capital gains tax rate.

By Mr. ASHCROFT:

S. 538. A bill to provide for violent and repeat juvenile offender accountability, and for other purposes; to the Committee on the Judiciary.

PROTECT CHILDREN FROM VIOLENCE ACT

Mr. ASHCROFT. Mr. President, I rise today to introduce legislation to address a serious national problem—the increasingly violent nature of juvenile crime. It seems that nearly every day we hear encouraging news about the progress we are making in the fight against crime. There is no doubt that this is good news. But reports about reductions in the crime rate obscure two unfortunate realities: First, although the rate of crime has dropped over the past few yeas, the level of crime remains far too high. Second, whatever progress has been made in the reduction of overall crime rates, we are still confronted with a serious problem with violent juvenile crime.

Statistics about crime rates are useful, but what really matters is the level of violent crime. Yesterday, the Dow Jones Industrial Average went down over twenty points. If we were focus on that fact alone, it would appear that the stock market was down, when in fact the Dow is near its all time record high. The same is true of crime, especially juvenile crime. Although the most recent data show some drops in the crime rate, the overall level of crime, especially juvenile crime is unacceptably high. There are about as many violent crimes committed today as in 1987. The number of violent juvenile crimes is at roughly the 1992 level and at 150% of the 1987 level. I do not think anyone thought they were safe or secure enough in 1987 or in 1992.

Statistics about crime rates also mask the increasingly violent nature of juvenile crimes. Seventeen percent of all forcible rapes, fifty percent of all arsons and thirty-seven percent of all burglaries are committed by juveniles. The juvenile justice system is no longer being asked to deal with juveniles who have committed a youthful indiscretion. The system is being asked to deal with juveniles who become hardened criminals before they turn eighteen.

Finally, the recent dip in crime rates is cold comfort for victims of violent crimes. My constituents in Missouri continually identify violent juvenile crime as a paramount concern, and you only have to read the newspaper to understand why. When parents read in the newspaper about a 16-year old who raped four young girls in St. Charles County, they understand the importance of targeting violent juvenile crime. When parents in Hazelwood read about a 13-year old convicted of murder for fracturing his victim's skull with the butt of a sawed-off shotgun, they understand the importance of targeting violent juvenile crime. And when people in Poplar Bluff read about a 16-year old, encouraged by his 20-year old accomplice, who held a pizza delivery man at the point of a shotgun to steal $32, they understand the importance of targeting violent juvenile crime.

Mr. President, that is precisely what the bill I am introducing today does—it targets violent juvenile crime. This bill, the Protect Children from Violent Act, will update our current juvenile justice laws to reflect the new vicious nature of today's teen criminals. It treats the most violent juvenile offenders as adults and punishes those adults who would exploit or endanger our children.

The Act has several components. First and foremost, it would require federal prosecutors and States, in order to qualify for $750 million in new incentive grants, to try as adults those juveniles fourteen and older who commit serious violent offenses, such as rape or murder. There is nothing juvenile about these crimes, and the perpetrators must be treated and tried as adults.

Some of the laws on the books inadvertently pervert the direction of the law enforcement system, offering more protections to the perpetrators, than to the public. This must cease. Strengthening our juvenile justice laws is the first line of defense in protecting the public and providing greater protection for innocent children than for violent criminals.

In order to do this, we also must ensure that our law enforcement officials, courts and schools have clear lines of communication and access to the records of violent juvenile offenders. This bill accomplishes this goal by requiring the fingerprinting and photographing of juveniles found guilty of crimes that would be felonies if committed by an adult. The bill also would ensure that those records are made available to federal and state law enforcement officials and school officials, so thy will know who they are dealing with when they confront a dangerous juvenile offender.

Typically, state statutes seal juvenile criminal records and expunge those records when the juvenile reaches age 18. Today's young criminal predators understand that when they reach their eighteenth birthday, they can begin their second career as adult criminals with an unblemished record. The time has come to discard the anachronistic idea that crimes committed by juveniles must be kept confidential, no matter how heinous the crime.

Our law enforcement agencies, courts, and school officials need improved access to juvenile records so that they have the tools to deal with the exponential increase in the severity and frequency of juvenile crimes.

The current state of juvenile record keeping is simply unacceptable. As part of the message that juvenile crime is something less than real crime, many jurisdictions have kept inadequate juvenile records or kept records sealed and inaccessible. What is more, whatever juvenile records they did keep were expunged when the juvenile turned eighteen. A judge sentencing a fresh-faced nineteen-year-old would sentence him like a first-time offender, blissfully ignorant of his prior record of similar incidents. These problems are made worse by the absence of any system to provide for the nationwide sharing of juvenile records. This is not a problem that any one State can solve alone. Even if a State treats juvenile criminal records like any other criminal record, it is still vulnerable to violent juveniles who move into the State. The problem we face is that although juveniles frequently cross state lines, their records do not follow them.

For too long, law enforcement officers have operated in the dark. Our police departments need to have access to the prior juvenile criminal records of individuals to assist them in criminal investigations and apprehension.

According to Police Chief David G. Walchak, who is past president of the International Association of Chiefs of Police, law enforcement officials are in desperate need of access to juvenile criminal records. The police chief has said, ''Current juvenile records (both arrest and adjudication) are inconsistent across the States, and are usually unavailable to the various programs' staff who work with youthful offenders.''

Chief Walchak also notes that ''If we [in law enforcement] don't know who

the youthful offenders are, we can't appropriately intervene.''

Chief Walchak is not the only one saying this. Law enforcement officers in my home State have told me that when they arrest juveniles they have no idea who they are dealing with because the records are kept confidential.

School officials, as well as courts and law enforcement officials, need access to juvenile criminal records to assist them in providing for the best interests of all students and preventing more tragedies.

The decline in school safety across the country can be attributed to a significant degree to laws that put the protection of dangerous students ahead of protecting the innocent—those who go to school to learn, not to maim or murder.

While visiting with school officials in Sikeston, Missouri, a teacher told me how one of her students came to school wearing an electronic monitoring ankle bracelet. Can you imagine being that teacher and having to turn around—back to the class—to write on the chalk board not knowing whether that student was a rapist, or even a murderer?

The proposed bill solves these problems by providing a nationwide system of record sharing. What is more, the bill provides block grants to the States for the purpose of establishing improved juvenile record keeping. To qualify for these block grants, States must keep records for juveniles that are equivalent to those they keep for adult criminals. The States must then make those records available to the FBI, law enforcement officers, school officials and sentencing courts. These provisions allow those who have to deal with these violent juveniles to do so based on full information. That is the only basis on which those decision should be made.

In addition to requiring that federal and state prosecutors try violent juvenile offenders as adults and increasing record keeping and sharing capabilities, this bill enhances the federal criminal penalties for those adults who seek to lure juveniles into criminal activity or drug use.

For example, any adult who distributes drugs to a minor, traffics in drugs in or near a school, or uses minors to distribute drugs would face a minimum three year jail sentence (as compared to the 1 year minimum under current law).

This bill also doubles the maximum jail time and fines for adults who use minors in crimes of violence. The second time the adult hides behind the juvenile status of a child by using him to commit a crime, the adult faces a tripling of the maximum sentence and fine.

The fact that our current system treats juvenile crime lightly has not been lost on young people. Not has it been lost on hardened adult criminals. If the system is going to let young people off with a slap on the wrist and then give them a clean slate when they turn eighteen, why should any adult criminal risk serious jail time by committing a crime themselves. Why not, instead, just use a juvenile and have the youth commit the crime for them. This use of juveniles is deplorable. But, sadly, our current treatment of juveniles gives adults an incentive to exploit children in this way. If a store sold candy for $5 to adults, but for $1 to children, there would be a lot of adults sending a kid in to buy them a candy bar. So too, with the criminal justice system. Our light treatment of juveniles has led adults to corrupt children in order to escape the penalties imposed by the adult system. It is no wonder that a 20-year old in Poplar Bluff has her 16-year old accomplice take the lead in the armed robbery. We cannot continue to encourage this intolerable behavior. Those who would corrupt our children should received our stiffest and swiftest sanction. To this end, my bill imposes enhanced penalties on adults who use juveniles to commit violent offenses, and also will encourage the States to adopt similar provisions.

Furthermore, the Protect Children from Violence Act elevates to a federal crime the recruiting of minors to participate in gang activity. Under this legislation, those gangsters who lure our children into gangs will face a federal prosecutor and a federal penitentiary.

A 1993 survey reported an estimated 4,881 gangs with 249,324 gang members in the United States. Those figures are disturbing enough. But a second study, conducted just two years later, found that the number of gangs had increased more than four-fold, with 23,388 gangs claiming over 650,000 members. We need legislation to stem this rising tide.

Let me quickly recap the highlights of this legislation. In order to qualify for incentive grants, States would be required to try juveniles as adults if they commit certain violent crimes such as rape and murder. States also would have to fingerprint and keep records on juveniles who commit crimes that would be felonies if committed by adults, and States mut allow public access to juvenile criminal records of repeat juvenile offenders. These same provisions would apply to federal law enforcement officials. To protect our children from adults who prey on the, this bill doubles and triples the jail time for those convicted of using a juvenile to commit a violent crime or to distribute drugs. Anyone caught dealing drugs to minors or near a school will face three times the penalty under current law.

This bill is a reasonable and prudent response to the threat that violent youth, and the adults that lead them into a life of crime, pose to our children. the monies authorized will be used to deter and incarcerate violent juvenile criminals, not just to provide for more midnight basketball and prevention programs—the situation, and our future, demands more than that. We need to take into account the needs of the innocent children—not sacrifice their protection in the name of privacy for violent juvenile perpetrators.

For too long now we have treated juvenile crime as something less than real crime. Even the language we use—referring to adult crimes, but to acts of juvenile delinquency—suggests that juvenile crime is not real crime. But we are not talking about throwing spitballs or juvenile horseplay. We are talking about murder and assault and rape. And I assure you that for the victims of these crimes, the crimes are all too real—no less so because the perpetrator was under eighteen. The time has come to take juvenile crime seriously and protect our children from violence.

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By Mr. BROWNBACK:

S. 539. A bill to amend the Internal Revenue Code of 1986 to increase the maximum taxable income for the 15 percent rate bracket, to replace the Consumer Price Index with the national average wage index for purposes of cost-of-living adjustments, to lessen the impact of the noncorporate alternative minimum tax, and for other purposes; to the Committee on Finance.

TAX LEGISLATION

Mr. BROWNBACK. Mr. President, today, I have introduced a proposal for a tax cut which I think answers a number of questions that people have been putting forward. I hear both sides of the aisle talking about a tax cut and the willingness to have a tax cut. Some are saying we need it to be targeted; some say we need to do it with the marriage penalty; others say we need a broad-based tax relief to take place.

The proposal I am putting in today would expand the 15-percent tax category over a period of 10 years and raise that to the level of the maximum amount at which we tax Social Security. What it does is, we broaden that 15-percent tax bracket. We make it such that it will take care of most of the marriage penalty. It will be economically simulating in that it will be a great relief for a number of people that grow into that 15-percent category, then, as we expand it. And it will be middle-income targeted because it will be that category of people making in the 15-percent rate and growing it up to $72,000 over a period of 10 years.

I think this answers a lot of questions on what we have been putting forward. We set aside every dime of Social Security money for Social Security, period. We do that. All those funds flowing into Social Security will remain and stay with Social Security. Not a dime of that is touched.

With the other resources that we have coming in that are building the surplus, let's do this sort of tax cut that moves to the middle-income category and addresses the marriage penalty problem. That is economically stimulating and is one that I think can be fair and helpful to our growth.

This is the final point I will make, as I intend to be brief about this. We are at a period of being able to talk about solving Social Security and paying down debt and providing tax cuts and dealing with education problems because we have a strong growing economy. We have a growing economy that is producing these sorts of revenues. We have to maintain that, and the lead thing that we can do to maintain that is to provide for economically stimulating tax cuts like what I am proposing here, and broaden that 15-percent tax rate, target it for people there, and have an economically stimulating benefit from that occurring. I think that is the way that we need to go to be able to maintain what we have in place now in this healthy economy and to be able to deal with these sorts of issues, to stimulate education reform, and to have the funds for education, as well.

Mr. President, that is the proposal I have introduced today. I urge my colleagues to look at it, and I would appreciate their support for this bill as we press forward on this broad-based debate on what we are going to do about this budget and how we continue the strong economy.

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By Mr. JOHNSON (for himself, Mr. INHOFE, Mr. CONRAD, Mr. KERRY, Mr. DASCHLE, Mr. INOUYE, Mr. WELLSTONE, Mr. SARBANES, Mr. KERREY, Mr. KENNEDY, Mr. DORGAN, Mr. REID, Mr. BAUCUS, Mr. BRYAN, and Mrs. BOXER):

S. 540. A bill to amend the Internal Revenue Code of 1986 to provide that housing assistance provided under the Native American Housing Assistance and Self-Determination Act of 1996 be treated for purposes of the low-income housing credit in the same manner as comparable assistance; to the Committee on Finance.

LOW INCOME HOUSING TAX CREDIT EQUITABLE ACCESS FOR INDIAN TRIBES

Mr. JOHNSON. Mr. President, I rise today to introduce legislation which will correct an unintended oversight in the federal administration of Native American housing programs, allowing Indian tribes to once again access Low-Income Housing Tax Credits (LIHTCs) for housing development in some of this nation's most under-served communities. Joining me as original cosponsors of this bill are Senators INHOFE, CONRAD, KERRY, DASCHLE, INOUYE, WELLSTONE, SARBANES, KERREY, KENNEDY, DORGAN, REID, BAUCUS, BRYAN and BOXER.

In the 104th Congress, the Native American Housing Assistance and Self Determination Act (NAHASDA) was signed into law, separating Indian housing from public housing and providing block grants to tribes and their tribally designated housing authorities. Prior to passage of NAHASDA, Indian tribes receiving HOME block grant funds were able to use those funds to leverage the Low Income Housing Tax Credits distributed by states on a competitive basis. Unfortunately, unlike HOME funds, block grants to tribes under the new NAHASDA are defined as federal funds and cannot be used for accessing LIHTCs.

The fact that tribes cannot use their new block grant funds to access a program (LIHTC) which they formerly could access is an unintended consequence of taking Indian Housing out of Public Housing at HUD and setting up the otherwise productive and much needed NAHASDA system. The legislation I am introducing today is limited in scope and redefines NAHASDA funds, restoring tribal eligibility for the LIHTC by putting NAHASDA funds on the same footing as HOME funds. With this technical correction, there would be no change to the LIHTC programs—tribes would compete for LIHTCs with all other entities at the state level, just as they did prior to NAHASDA.

This technical corrections legislation is a minor but much needed fix to a valuable program that will restore equity to housing development across the country. The South Dakota Housing Development Authority has enthusiastically endorsed this legislation out of concern for equitable treatment of every resident of our state and to reinforce the proven success of the LIHTC program for housing development in rural and lower income communities.

I have joined many of my colleagues in past efforts to preserve and increase the Low Income Housing Tax Credit program which benefits every state, and I ask my colleagues to recognize the importance of maintaining fairness in access to this program emphasized through this legislation and encourage my colleagues to support passage of this vital legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 540

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. CERTAIN NATIVE AMERICAN HOUSING ASSISTANCE DISREGARDED IN DETERMINING WHETHER BUILDING IS FEDERALLY SUBSIDIZED FOR PURPOSES OF THE LOW-INCOME HOUSING CREDIT.**

(a) IN GENERAL.—Subparagraph (E) of section 42(i)(2) of the Internal Revenue Code of 1986 (relating to determination of whether building is federally subsidized) is amended—

(1) in clause (i), by inserting ''or the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) (as in effect on October 1, 1997)'' after ''this subparagraph)'', and

(2) in the subparagraph heading, by inserting ''OR NATIVE AMERICAN HOUSING ASSISTANCE'' after ''HOME ASSISTANCE''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to periods after the date of the enactment of this Act.

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By Ms. COLLINS (for herself, Mr. MURKOWSKI, and Mr. ROBERTS):

S. 541. A bill to amend title XVIII of the Social Security Act to make certain changes related to payments for graduate medical education under the medicare program; to the Committee on Finance.

THE GRADUATE MEDICAL EDUCATION TECHNICAL AMENDMENTS OF 1999

Ms. COLLINS. Mr. President, I am pleased to be joining my colleague from Alaska, Senator MURKOWSKI, in introducing the Graduate Medical Education Technical Amendments Act of 1999, which is intended to address some of the problems that small family practice residency programs in Maine and elsewhere are experiencing as a result of provisions in the Balanced Budget Act (BBA) of 1997 that were intended to control the growth in Medicare graduate medical education spending.

Of specific concern are the provisions in the BBA that cap the total number of residents in a program at the level included in the 1996 Medicare cost reports. Congress' goal in reforming Medicare's graduate medical education program was to slow down our nation's overall production of physicians, while still protecting the training of physicians who are in short supply and needed to meet local and national health care demands. While the BBA's provisions will indeed curb growth in the overall physician supply, they do so indiscriminately and are thwarting efforts in Maine and elsewhere to increase the supply of primary care physicians in underserved rural areas.

Because Maine has only one medical school—the University of New England, which trains osteopathic physicians—we depend on a number of small family practice residency programs to introduce physicians to the practice opportunities in the state. Most of the graduates of these residency programs go on to establish practices in Maine, many in rural and underserved areas of the state. The new caps on residency slots included in the BBA penalize these programs in a number of ways.

For instance, the current cap is based on the number of interns and residents who were ''in the hospital'' in FY 1996. Having a cap that is institution-specific rather than program-specific has caused several problems. For example, the Maine-Dartmouth Family Practice Residency Program had two residents out on leave in 1996—one on sick leave for chemotherapy treatments and one on maternity leave. Therefore, the program's cap was reduced by two, because it was based on the number of actual residents in the hospital in 1996 as opposed to the number of residents in the program.

Moreover, residents in this program have spent one to two months training in obstetrics at Dartmouth's Mary Hitchcock's Medical Center in Lebanon, New Hampshire. Because the cap is based on a hospital's cost report, these residents are counted toward Dartmouth Medical School's cap instead of the Maine-Dartmouth Family Practice Residency Program's. Last

year, the Maine program was informed that Dartmouth would be cutting back the amount of time their residents are there. But the Maine-Dartmouth Family Practice Residency Program has no way of recouping the resident count from them in order to have the funds to support obstetrical training for their residents elsewhere.

Moreover, the cap does not include residents who continue to be part of the residency program, but who have been sent outside of the hospital for training. This penalizes all primary care specialties, but especially family medicine, where ambulatory training has historically been the hallmark of the specialty. This is particularly ironic since other specialty programs that now begin training in settings outside the hospital will, under the new rules, have those costs included in their Medicare graduate medical education funding.

All told, the Maine Dartmouth Family Practice Residency Program will see its graduate medical education funding reduced by over half a million dollars a year as a result of the cap established by the BBA.

The example I have just used is from Maine, but the problems created by the BBA's graduate medical education changes are national in scope. It has created disproportionately harmful effects on family practice residencies from Maine to Alaska. A recent survey of all family practice residency program directors has found that:

56 percent of respondents who were in the process of developing new rural training sites have indicated that they will either not implement those plans or are unsure about their sponsoring institutions' continued support.

21 percent of respondents report planning to decrease their family practice residency slots in the immediate future. The majority of those who are planning to decrease their slots are the sole residency program in a teaching hospital. This means that, under current law, they have no alternative way of achieving growth, such as through a reduction of other specialty slots in order to stay within the cap.

And finally, the vast majority of family practice residencies did not have their full residency FTEs captured in the 1996 cost reports upon which the cap is based.

In addition to this survey, we have anecdotal information from residencies across the country detailing how they have lost funding either because of where they trained their residents or because their residents had been extended sick or maternity leave. For example, one family practice residency in Washington State last year had an equivalent of 14 residents training outside of the hospital and four in the hospital. Under the BBA, their cap would be four. By contrast, had all of their residents been trained in the hospital up to this point, their payment base would have been capped at 18, even if they trained residents in non-hospital settings in the future.

The Medicare Graduate Medical Education Technical Amendments Act we are introducing today will address these problems by basing the cap on the number of residents ''who were appointed by the approved medical residency training programs for the hospital'' in 1996, rather than on the number of residents who were ''in the hospital.''

I am also concerned that the Balanced Budget Act and its accompanying regulations will severely hamper primary care residency programs that are expanding to meet local needs. Specifically, a new residency program that had not met its full complement of accredited residency positions until after the cutoff date of August 5, 1997, is precluded from increasing its number of residents unless the hospital decreases the number of residents in one of its other specialty programs. However, over forty percent of the nation's family practice residency programs are the only program sponsored by the hospital. This provision therefore completely precludes such a hospital from expanding its residency program to meet emerging primary care needs.

To address this problem, the legislation we are introducing today would allow the small number of programs at hospitals that sponsor just one residency program to increase their cap by one residency slot a year up to a maximum of three. In addition, to enable a number of family practice residency programs that are already in the pipeline to get accredited and grow to completion, the bill extends the cutoff date to September 1999.

And finally, the Balanced Budget Act gave the Secretary of Health and Human Services the authority to give ''special consideration'' to new facilities that ''meet the needs of underserved rural areas.'' The Health Care Financing Administration has interpreted this to mean facilities that are actually in underserved rural areas. There have been several recent expansions in family practice residency programs that include a rural training track, with residents located in outlying hospitals, or with satellite programs designed specifically to train residents to work with underserved populations.

Even though these new programs or satellites required accrediting body approval, they are still part of the ''mother'' residencies, which may not be physically located in an underserved rural area. While these are not technically new programs, I believe that the definition should be expanded to include such endeavors, given the value of these programs in addressing the needs of underserved populations. Therefore, the Medicare Graduate Medical Education Technical Amendments Act would expand the definition to include ''facilities which are not located in an underserved rural area, but which have established separately accredited rural training tracks.''

Mr. President, while the changes we are proposing today are relatively minor and technical in nature, they are critical to the survival of the small family practice residency programs that are so important to our ability to meet health manpower needs in rural and underserved areas. I urge all of my colleagues to join us in cosponsoring the Medicare Graduate Medical Education Technical Amendments and 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. 541

*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 ''Graduate Medical Education Technical Amendments of 1999''.

**SEC. 2. INDIRECT GRADUATE MEDICAL EDUCATION ADJUSTMENT.**

(a) IN GENERAL.—Section 1886(d)(5)(B)(v) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)(v)) (as added by section 4621(b) of the Balanced Budget Act of 1997) is amended—

(1) by striking ''(v) In determining'' and inserting ''(v)(I) Subject to subclause (II), in determining'';

(2) by striking ''in the hospital with respect to the hospital's most recent cost reporting period ending on or before December 31, 1996''; and inserting ''who were appointed by the hospital's approved medical residency training programs for the hospital's most recent cost reporting period ending on or before December 31, 1996''; and

(3) by adding at the end the following:

''(II) Beginning on or after January 1, 1997, in the case of a hospital that sponsors only 1 allopathic or osteopathic residency program, the limit determined for such hospital under subclause (I) may, at the hospital's discretion, be increased by 1 for each calendar year but shall not exceed a total of 3 more than the limit determined for the hospital under subclause (I).''.

(b) TECHNICAL AMENDMENTS.—Section 1886(d)(5)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)) is amended by moving clauses (ii), (v), and (vi) 2 ems to the left.

**SEC. 3. DIRECT GRADUATE MEDICAL EDUCATION ADJUSTMENT.**

(a) LIMITATION ON NUMBER OF RESIDENTS.—Section 1886(h)(4)(F) of the Social Security Act (42 U.S.C. 1395ww(h)(4)(F)) (as added by section 4623 of the Balanced Budget Act of 1997) is amended by inserting ''who were appointed by the hospital's approved medical residency training programs'' after ''may not exceed the number of such full-time equivalent residents''.

(b) FUNDING FOR NEW PROGRAMS.—The first sentence of section 1886(h)(4)(H)(i) of the Social Security Act (42 U.S.C. 1395ww(h)(4)(H)(i)) (as added by section 4623 of the Balanced Budget Act of 1997) is amended inserting ''and before September 30, 1999'' after ''January 1, 1995''.

(c) FUNDING FOR PROGRAMS MEETING RURAL NEEDS.—The second sentence of section 1886(h)(4)(H)(i) of the Social Security Act (42 U.S.C. 1395ww(h)(4)(H)(i)) (as added by section 4623 of the Balanced Budget Act of 1997) is amended by striking the period at the end and inserting '', including facilities that are not located in an underserved rural area but have established separately accredited rural training tracks.''.

**SEC. 4. EFFECTIVE DATE.**

The amendments made by this Act shall take effect as if included in the enactment of the Balanced Budget Act of 1997.

Mr. MURKOWSKI. Mr. President, I am pleased today to introduce with my distinguished colleague from Maine, Senator COLLINS, the Graduate Medical Education Technical Amendments Act of 1999. This legislation will alleviate unintended consequences of the Balanced Budget Act of 1997 regarding Graduate Medical Education (GME).

The Balanced Budget Act of 1997 contained important and necessary GME reform. However, a small number of the changes in the Balanced Budget Act of 1997, have grave consequences for many residency programs, particularly for programs that have been training in ambulatory settings, are small, or who produce physicians to serve in rural areas. The impact has been disproportionately harmful to programs that: have already been training in ambulatory settings (because the hospitals in which they were located were not allowed to count the residents they had serving in community settings in the cap); are small, such as hospitals with only one residency program; and train physicians for practice in rural areas.

The impact is especially damaging to family practice residency programs. Only family practice residents have been trained extensively out of the hospital and only family practice residencies were significantly harmed by this provision in the BBA. In fact, a recent survey indicates that 56 percent of family residency program directors believe that the BBA provisions will preclude their development of rural training sites.

Senator COLLINS' and my legislation would include the following legislative remedies:

Recalculate the IME and DME caps based on the number of interns and residents who were appointed by the approved medical residency training programs for FY 1996, whether they were being trained in the hospital or in the community;

Change the cutoff date for adjusting the DME funding cap to September 30, 1999, to allow those programs already in the approval process for accreditation to continue to realization; and

Expand the exception to the funding caps to include programs with separately accredited rural training tracks even if the sponsoring hospital is not located in a rural area, and for residency programs where a primary care training program is the only one offered in the hospital.

This legislation is important for Alaska's first and only residency program. The Alaska Family Practice Residency is specifically designed to train physicians to practice medicine in rural Alaska.

Alaska's rural health care problems are tough: 74% of Alaska is medically under-served. Many villages populated by 25–1000 individuals do not have access to physicians. Physician turn-over rate is high which makes it impossible for patients to establish long-term relationships with their physician to manage chronic disease or to do preventative medicine. The result is that bush Alaska has much higher rates of preventable diseases.

This legislation is truly imperative to Alaska health care. While other residency programs have the luxury of educating their residents on rural health issues, for us it is a necessity.

Mr. President, our legislation corrects a small deficiency in the BBA of 1997 that has had a large, unintended impact on programs training community-based and rural doctors. I hope my colleagues can join our efforts and support this important legislation.

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By Mr. ABRAHAM (for himself, Mr. WYDEN, Mr. HATCH, Mr. KERREY, Mr. COVERDELL, Mr. DASCHLE, Mr. JEFFORDS, Mr. LIEBERMAN, Mr. ALLARD, Mr. GORTON, Mr. BURNS, and Mr. MCCONNELL):

S. 542. A bill to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and allow a tax credit for donated computers; to the Committee on Finance.

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## THE NEW MILLENNIUM CLASSROOMS ACT

Mr. ABRAHAM. Mr. President, I am joined today by Senators WYDEN, HATCH, KERREY, COVERDELL, DASCHLE, JEFFORDS, LIEBERMAN, ALLARD, GORTON, MCCONNELL, and BURNS in introducing the New Millennium Classrooms Act. This legislation will effectively encourage the donation of computer equipment and software to schools through tax deductions and credits. In addition, enhanced tax credits would be applied to equipment donated to schools within designated empowerment zones, enterprise communities, and Indian reservations.

Advanced technology has fueled unprecedented economic growth and transformed the way Americans do business and communicate with each other. Despite these gains, this same technology is just beginning to have an impact on our classrooms and how we educate our children. It is projected that 60 percent of all jobs will require high-tech computer skills by the year 2000, yet 32 percent of our public schools have only one classroom with access to the Internet.

Mr. President, it is imperative that we act now to provide our nation's students with the necessary technological background so they can succeed in tomorrow's high-tech workplace and ensure our country's future position in competitive world markets.

The Department of Education recommends that there be at least one computer for every five students. According to the Educational Testing Service, in 1997, there was only one computer for every 24 students, on average. Not only are our classrooms sadly under-equipped, but even those classrooms with computers often have systems which are so old and outdated they are unable to run even the most basic software programs, are not multimedia capable and cannot access the Internet. Mr. President, one of the more common computers in our schools today is the Apple IIc, a computer so archaic it is now on display at the Smithsonian.

While this technological deficiency affects all of our schools, the students who are in the most need are receiving the least amount of computer instruction and exposure.

According to the Secretary of Education, 75.9 percent of households with an annual income over $75,000 have computers, compared to only 11 percent of households with incomes under $10,000. This disparity exists when comparing households with Internet access as well. While 42 percent of families with annual incomes over $75,000 have on-line capability, only 10 percent of families with incomes $25,000 or less can access the Internet from their homes.

Rural areas and inner cities fall below the national average for households that have computers.

Nationwide, 40.8 percent of white households have computers, while only 19 percent of African-American and Hispanic households do. This disparity is increasing, not decreasing. And, Mr. President, this unfortunate trend is not confined simply to individual households, it is present in our schools as well.

Education should be a great equalizer, providing the means by which Americans can take advantage of all the opportunities this country can offer, regardless of background. Yet, Educational Testing Service statistics show schools with 81 percent or more economically disadvantaged students have only one multi-media computer for every 32 students, while a school with 20 percent or fewer economically disadvantaged students will have a multi-media computer for every 22 students. That is a difference of 10 students per computer. Furthermore, schools with 90 percent or more minority students have only one multimedia computer for every 30 students.

Mr. President, this is simply unacceptable.

The Taxpayers Relief Act of 1997 contains a provision, The 21st Century Classrooms of 1997, which allows a corporation to take a deduction from taxable income for the donation of computer technology, equipment and software.

Unfortunately, since The 21st Century Classrooms Act of 1997 has been implemented, there has not been a significant increase in corporate donations of computers and related equipment to K–12 schools. The current incentives do not provide enough tax relief to outweigh the costs incurred by the donors. Moreover, the restrictions limiting the age of eligible equipment to two years or less and the narrow definition of ''original use'' has greatly

limited the number of computers available for qualified donation. As a result, the Detwiler Foundation, a California-based organization with unparalleled status as a facilitator of computer donations to K–12 schools nationwide, reports they ''have not witnessed the anticipated increase in donation activity'' since the enactment of the 1997 tax deduction.

Mr. President, to increase the amount of technology donated to schools, the New Millennium Classrooms Act would expand the parameters of the current tax deduction and add a tax credit, which operates like the R&D tax credit. Specifically, the bill would do the following:

First, this legislation would allow a tax credit equal to 30 percent of the fair market value of the donated computer equipment. An increased tax credit provides greater incentive for companies to donate computer technology and equipment to schools. This includes computers, peripheral equipment, software and fiber optic cable related to computer use.

Second, it would expand the age limit to include equipment three years old or less. Many companies do not update their equipment within the two year period. This provision increases the availability of eligible equipment. Three year old computers equipped with Pentium-based or equivalent chips have the processing power, memory, and graphics capabilities to provide sufficient Internet and multimedia access and run any necessary software.

Third, the current limitation on ''original use'' would be expanded to include the original equipment manufacturers or any corporation that reacquires the equipment. By expanding the number of donors eligible for the tax credit, the number of computers available will increase as well.

Lastly, enhanced tax credits equal to 50 percent of the fair market value of the equipment donated to schools located within designated empowerment zones, enterprise communities, and Indian reservations would be implemented. Doubling the amount of the tax credits for donations made to schools in economically-distressed areas will increase the availability of computers to the children that need it most.

Bringing our classrooms into the 21st century will require a major national investment. According to a Rand Institute study, it will cost $15 billion, or $300 per student, to provide American schools with the technology needed to educate our youth; the primary cost being the purchase and installation of computer equipment. At a time when the government is planning to spend $1.2 billion to wire schools and libraries to the Internet, the demand for this sophisticated hardware will be greater than ever.

The Detwiler Foundation estimates that if just 10 percent of the computers that are taken out of service each year were donated to schools, the national ratio of students-to-computers would be brought to five-to-one or less. This would meet, or even exceed, the ratio recommended by the Department of Education.

The New Millennium Classrooms Act will provide powerful tax incentives for American businesses to donate top quality high-tech equipment to our nation's classrooms without duly increasing Federal Government expenditures or creating yet another federal program or department. Encouraging private investment and involvement, this Act will keep control where it belongs—with the teachers, the parents, and the students.

This bill is not simply another ''targeted tax break.'' Broad-based tax relief and reform efforts should work to lower tax rates across the board while continuing to retain and improve upon the core tax incentives for education, homeownership, and charitable contributions. The New Millennium Classrooms Act expands the parameters and thus the effectiveness of an already existing education and charity tax incentive, one which will effectively bring top-of-the-line technology into all of our schools.

With the passage of the New Millennium Classrooms Act, all our children will have an equal chance at succeeding in the new technological millennium.

Mr. President, I ask unanimous consent that the bill, a section by section analysis, and a letter from the Detwiler Foundation be printed in the RECORD.

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

S. 542

*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 ''New Millennium Classrooms Act''.

**SEC. 2. EXPANSION OF DEDUCTION FOR COMPUTER DONATIONS TO SCHOOLS.**

(a) EXTENSION OF AGE OF ELIGIBLE COMPUTERS.—Section 170(e)(6)(B)(ii) of the Internal Revenue Code of 1986 (defining qualified elementary or secondary educational contribution) is amended—

(1) by striking ''2 years'' and inserting ''3 years'', and

(2) by inserting ''for the taxpayer's own use'' after ''constructed by the taxpayer''.

(b) REACQUIRED COMPUTERS ELIGIBLE FOR DONATION.—

(1) IN GENERAL.—Section 170(e)(6)(B)(iii) of the Internal Revenue Code of 1986 (defining qualified elementary or secondary educational contribution) is amended by inserting '', the person from whom the donor reacquires the property,'' after ''the donor''.

(2) CONFORMING AMENDMENT.—Section 170(e)(6)(B)(ii) of such Code is amended by inserting ''or reaquired'' after ''acquired''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years ending after the date of the enactment of this Act.

**SEC. 3. CREDIT FOR COMPUTER DONATIONS TO SCHOOLS.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following:

**''SEC. 45D. CREDIT FOR COMPUTER DONATIONS TO SCHOOLS.**

''(a) GENERAL RULE.—For purposes of section 38, the school computer donation credit determined under this section is an amount equal to 30 percent of the qualified elementary or secondary educational contributions (as defined in section 170(e)(6)(B)) made by the taxpayer during the taxable year.

''(b) INCREASED PERCENTAGE FOR CONTRIBUTIONS TO SCHOOLS IN EMPOWERMENT ZONES, ENTERPRISE COMMUNITIES, AND INDIAN RESERVATIONS.—In the case of a qualified elementary or secondary educational contribution (as so defined) to an educational organization or entity located in an empowerment zone or enterprise community designated under section 1391 or an Indian reservation (as defined in section 168(j)(6)), subsection (a) shall be applied by substituting '50 percent' for '30 percent'.

''(c) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply.

''(d) TERMINATION.—This section shall not apply to taxable years beginning on or after the date which is 3 years after the date of the enactment of the New Millennium Classrooms Act.

(b) CURRENT YEAR BUSINESS CREDIT CALCULATION.—Section 38(b) of the Internal Revenue Code of 1986 (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', plus'', and by adding at the end the following:

''(13) the school computer donation credit determined under section 45D(a).''

(c) DISALLOWANCE OF DEDUCTION BY AMOUNT OF CREDIT.—Section 280C of the Internal Revenue Code of 1986 (relating to certain expenses for which credits are allowable) is amended by adding at the end the following:

''(d) CREDIT FOR SCHOOL COMPUTER DONATIONS.—No deduction shall be allowed for that portion of the qualified elementary or secondary educational contributions (as defined in section 170(e)(6)(B)) made during the taxable year that is equal to the amount of credit determined for the taxable year under section 45D(a). In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) or a trade or business which is treated as being under common control with other trades or businesses (within the meaning of section 52(b)), this subsection shall be applied under rules prescribed by the Secretary similar to the rules applicable under subsections (a) and (b) of section 52.''

(d) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(9) NO CARRYBACK OF SCHOOL COMPUTER DONATION CREDIT BEFORE EFFECTIVE DATE.—No amount of unused business credit available under section 45D may be carried back to a taxable year beginning on or before the date of the enactment of this paragraph.''

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 45C the following:

''Sec. 45D. Credit for computer donations to schools.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after the date of the enactment of this Act.

SECTION-BY-SECTION ANALYSIS—THE NEW MILLENNIUM CLASSROOMS ACT

A bill to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and to allow a tax credit for donated computers.

*Section 1. Short title*

This section provides that the act may be cited as the ''New Millennium Classrooms Act''

*Section 2. Expansion of deduction for computer donations to schools*

This section extends the age of eligible computers from two years to three years of age.

In addition, the scope of ''original use'' is expanded to include not only the donor or the donee, but the person from whom the donor reacquires the property as well.

The amendments made by this section shall apply to contributions made in taxable years ending after the date of the enactment of this Act.

*Section 3. Credit for computer donations to schools*

This section establishes that the school computer donation credit shall be an amount equal to 30 percent of the fair market value of the qualified contribution.

In addition, the school computer donation credit is enhanced for contributions made to schools located within designated empowerment zones, enterprise communities, and Indian reservations. The school computer donation credit shall be an amount 50 percent of the fair market value of the qualified contribution.

This section shall not apply to taxable years beginning on or after the date which is three years after the date of enactment of the New Millennium Classrooms Act.

This section includes a disallowance of the existing tax deduction by the amount of the tax credit, stating that no deduction shall be allowed for that portion of the qualified contribution that is equal to the amount of the tax credit.

Lastly, no amount of unused business credit available may be carried back to a taxable year beginning on or before the date of the enactment of this Act.

The amendments made by the sections shall apply to taxable years beginning after the date of the enactment of this Act.

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THE DETWILER FOUNDATION,
COMPUTERS FOR SCHOOLS PROGRAM,
*La Jolla, CA, March 3, 1999.*

Hon. SPENCER ABRAHAM,
*U.S. Senate, Washington, DC.*

DEAR SENATOR ABRAHAM: I am writing you because of the Detwiler Foundation's unparalleled status as a facilitator of computer donations to K–12 schools across the United States. Our experience—eight years in computer solicitation, refurbishing and placement, working through various types of facilities in states across the nation—leaves us uniquely qualified to provide perspective on computer donation history, process and trends. Because of our depth of knowledge in this area, it has been requested that we offer information and insight on legislation that may be coming before you this year.

As you move into the heart of the nation's legislative workload for 1999 we understand that many different issues will be on the agenda. The Detwiler Foundation Computers for Schools Program is dedicated to increasing and enhancing school technology available across the nation. As you might imagine, we are keenly interested in all matters that help us support that goal. Perhaps as you consider legislation for this session you will examine existing statutes for charitable contributions of computers and computer equipment to schools and education-benefit organizations like ours.

Two years ago Congress enacted the 21st Century Classrooms Act as part of the Tax Relief Act of 1997 (HR2014). This provision allows corporations that donate computers to qualified organizations (schools and education-benefit non-profits) to receive an enhanced charitable contribution tax deduction. The Detwiler Foundation welcomed this legislation and considered it a significant development in our efforts to support a computer-literate and technologically-prepared society.

While we remain unqualifiedly grateful to the sponsors and supporters of the 21st Century provision, we have not witnessed the anticipated increase in donation activity. We have been told by companies in a position to utilize the legislation that, for the most part, it does not fully meet their business cycle needs. We have also come to understand that, even though company executives work hard to serve their communities and the nation—and often succeed in so doing—they still must ultimately answer to their shareholders. The current legislation, they say, does not offer them significant assistance in that responsibility.

The Detwiler Foundation suggests that an expansion of the current code will bring about the results sought by the authors of the 21st Century Classrooms Act while maintaining the budgetary responsibility these times demand. Our experience to this point is that no donors to our program have been able to apply provisions of the current code to their donations. In other words, donations have not attached to the Balanced Budget offset outlay made for the existing legislation. It is our firm belief that the following amendments will meet the goals of the legislation while maintaining fiscal responsibility.

Expand the ''eligible equipment'' provision to include computers three (3) years old or less.

Provide donors shall a contribution credit against taxable income equal to a percentage of the original basis of the donated equipment. There should be a greater credit for contributions to schools in federally-recognized empowerment zones.

Offer the enhanced benefit to all IRS-designated (''C'' and ''Subchapter S'') corporations.

Allow donee or facilitator to enhance and upgrade equipment as is reasonable and necessary and recover the cost of work done to add value to the equipment in addition to recovering the cost for shipping, installation and transfer.

Make the legislation effective January 1, 2000 and extend its lifetime through December 31, 2004.

The Detwiler Foundation addresses this issue as an organization working with state governments and local entities in every part of the nation. While we have no statistical evidence to certify this, we are as we understand it (and as is generally conceded) the single most prolific source of donated computers for schools across the nation. Last year we coordinated more than 12,000 computer donations. Furthermore, we have been facilitating these contributions since 1991. Our program has become the model for many other agencies now involved in soliciting and providing computers for schools. It is from that vantage point that we provide our insights and observations.

We offer these suggested changes to the legislation after having estimated the financial impact of these changes. This estimate is based on our experience and our informed perspective—you will find a copy accompanying this letter. In coming to our conclusions, we attempted to be what we consider generous, or even liberal, in our assignments of applicable donations, facilitators and receiving schools and tax credits. In other words, we have attempted to err on the ''high'' or most expensive side in this equation. We believe the actual costs to government coffers will be substantially less than our educated guess.

Thank you for your time and consideration, and the very best to you as you tackle this session's legislative agenda.

Sincerely,

JERRY GRAYSON,
*Regional Director.*

Mr. HATCH. Mr. President, I join today with my colleagues Senators ABRAHAM and WYDEN to introduce the New Millennium Classrooms Act.

Technology is a wonderful thing. It increases our productivity, enhances the way we communicate with each other, and opens up access to whole new worlds at the click of a finger.

It is becoming an integral part of the way America does business. Our economy has become more and more globalized. Our jobs, our cars, and our toys are more and more high-tech. Computers have become such a big part of American business that it has been projected that 60 percent of American jobs will require high-tech computer skills by 2000—just next year.

Unfortunately, there is an important part of our society that has not kept pace with this technology craze—our schools. We are falling dismally short of meeting the Department of Education's recommendation of 1 computer per 5 students. American schools had an average of just 1 computer per 24 students in 1997.

Not only are there too few computers in the classrooms, but those that are there are old and outdated, unable to run today's software and applications. In fact, the most popular model of computer in our schools is the Apple IIc. For those of you who are unfamiliar with this computer, you can see one just down the street in the Smithsonian.

Too many of today's schoolchildren are missing out on one of the greatest advancements in computer applications—the Internet. Thirty-two percent of our public schools have only one classroom with access to the Internet. This is not right. Our kids deserve the cutting edge of technology, not the 21st century equivalent of chalk and slates.

In 1997, Congress recognized the need for more and better computers in our schools enacting a corporate charitable tax deduction for school computer donations. Unfortunately, the deduction was crafted narrowly with various restrictions and limitations so that we have not seen a significant increase in computer donations to our schools.

The New Millennium Classrooms Act is designed to address the shortcomings of the current deduction by expanding limits on the deduction and adding a tax credit equal to thirty percent of the fair market value of the donated computer equipment. This provides greater incentives for corporations to donate computer technology and equipment to our schools.

Allowing computer manufacturers to donate computers and other equipment returned to them through trade-ins or leasing programs will expand both the number of eligible donors and the qualified equipment to be donated.

An enhanced 50 percent tax credit for donations to schools located in empowerment zones, enterprise communities, and Indian reservations will help to address the growing technology gap between our urban and rural, rich and poor schools. This will help focus the donations to those kids who need the technology the most, to those kids who are less likely to have a computer at home.

A good education for our children is the key to the future of our country. Without current computers and equipment in our schools, we cannot keep our kids on the cutting edge of technology where they belong. This bill contains real incentives for private organizations to get involved and donate computers and equipment to schools in order to help educate our children. This is important to our kids, our schools, and our future. I urge my colleagues to cosponsor this legislation.

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By Ms. SNOWE (for herself, Mr. FRIST, Mr. JEFFORDS, Mr. HAGEL, Ms. COLLINS, and Mr. ENZI):

S. 543. A bill to prohibit discrimination on the basis of genetic information with respect to health insurance; to the Committee on Health, Education, Labor, and Pensions.

GENETIC INFORMATION NONDISCRIMINATION IN HEALTH INSURANCE ACT

Ms. SNOWE. Mr. President, I am pleased to be joined by my colleagues Senators JEFFORDS, FRIST, and HAGEL in introducing the Genetic Information Nondiscrimination in Health Insurance Act. I first introduced this legislation in the 104th Congress, in conjunction with Representative LOUISE SLAUGHTER in the House. Since then I have worked extensively with many of my colleagues to ensure that this legislation effectively addresses the need for protections against genetic discrimination in the health insurance industry. This bill builds on and improves the language included in the Patients' Bill of Rights—Plus (S. 300).

Progress in the field of genetics is accelerating at a breathtaking pace. Who could have predicted 20 years ago that scientists could accurately identify the genes associated with cystic fibrosis, cancer, Parkinson's and Alzheimer's diseases? Today scientists can, and as a result doctors are increasingly better able to identify predispositions to certain diseases based on the results of genetic testing. These results mean that doctors are better able to successfully treat and manage many diseases. Scientific advances hold tremendous promise for the approximately 15 million people affected by the over 4,000 currently-known genetic disorders, and the millions more who are carriers of genetic diseases who may pass them on to their children. In fact, just this month scientists reported that one of the genes implicated in advanced breast cancer is also related to the final stages of prostate cancer. Because science progresses my legislation has not remained static and it represents the best of genetic advancements and the most comprehensive definitions of genetic issues. I have been working hard with experts in the genetics field, Chairman of the Health, Education, Labor, and Pensions Committee Senator JIM JEFFORDS, Senator BILL FRIST, and Senator CHUCK HAGEL to improve upon the language included in the Patients' Bill of Rights—Plus. Today's bill is the result of an enormous amount of time and effort, and I want to thank my three colleagues for their willingness to devote so much of their attention to this important issue.

Unfortunately as our knowledge of genetics and genetic predisposition to disease has increased, so has the potential for discrimination in health insurance based on genetic information. In addition to the potentially devastating consequences health insurance denials based on genetic information can have on American families, the fear of discrimination has equally harmful consequences for consumers and for scientific research. But genetics still isn't an exact science. We all must remember that prediction does not mean certainty. For example, the Alzheimer's gene has less than a 35 percent prediction certainty. Science has not yet progressed to the point where it can tell us definitely and without doubt what will happen if a mutation is found and it is this uncertainty that makes our legislation so very, very important.

As a legislator who has worked for many years on the issue of breast cancer, and as a woman with a history of breast cancer in her family, I continue to be amazed and delighted with the treatment advances based on the discoveries of two genes related to breast cancer—BRCA1 and BRCA2. Keep in mind that women who inherit mutated forms of either gene have an 85 percent risk of developing breast cancer in their lifetime, and a 50 percent risk of developing ovarian cancer. Not very good odds.

Although there is no known treatment to ensure that women who carry the mutated gene do not develop breast cancer, genetic testing makes it possible for carriers of these mutated genes to take extra precautions such as mammograms, self-examinations, and even enrollment in research studies in order to detect cancer at its earliest stages. Many women who might take extra precautions if they knew they had the breast cancer gene may not seek testing because they fear losing their health insurance. And what are the implications when women are afraid of having a genetic test—or testing their daughters?

The implications are simply devastating. One of my constituents from Hampden, Maine put it best:

> I'm a third generation [breast cancer] survivor and as of last October I have nine immediate women in my family that have been diagnosed with breast cancer * * *. I want my daughters to be able to live a normal life and not worry about breast cancer. I want to have the BRCA test [for breast cancer] done but because of the insurance risk for my daughters' future I don't dare.

Nine women in Bonnie Lee Tucker's family have breast cancer, yet the fear of discrimination was so strong that she would forgo testing that could potentially save her own or her daughters' lives.

Patients like Bonnie Lee Tucker may be unwilling to disclose information about their genetic status to their physicians out of fear, hindering treatment or preventive efforts. And though it could save her life or the life of one of her daughters she is unwilling to participate in potentially ground-breaking research trials because she does not want to reveal information about their genetic status and is afraid of losing her health insurance. Bonnie Lee Tucker should not have to bet her life and the life of her daughter this way.

Americans should not live in fear of knowing the truth about their health status. They should not be afraid that critical health information could be misused. They should not be forced to choose between insurance coverage and critical health information that can help inform their decisions. They should not fear disclosing their genetic status to their doctors. And they should not fear participating in medical research.

We must ensure that people who are insured for the very first time, or who become insured after a long period of being uninsured, do not face genetic discrimination. We must ensure that people are not charged exorbitant premiums based on such information. We must ensure that insurance companies cannot discriminate against individuals who have requested or received genetic services. We must ensure that insurance companies cannot release a person's genetic information without their prior written consent. And we must ensure that health insurance companies cannot carve out covered services because of an inherited genetic disorder. Our bill does just that.

As the Senate moves forward with the Patients' Bill of Rights—Plus we must focus on this important issue and should act as quickly as possible to put a halt to the unfair practice of discriminating on the basis of genetic information, and to ensure that safeguards are in place to protect the privacy of genetic information.

Mr. FRIST. Mr. President, it is with great pride that I rise today to introduce the Genetic Information Nondiscrimination in Health Insurance Act of 1999 with my colleagues, Senators SNOWE, JEFFORDS, HAGEL, and COLLINS. We have worked diligently on this legislation for several years to bring this issue to the forefront of the Congressional agenda and to craft a solid piece of legislation that will provide patients

with real protections against genetic discrimination in health insurance.

Scientists anticipate that the entire human genome will be completely decoded within the next few years. This unprecedented accomplishment will usher in a new era in our understanding of diseases that afflict all Americans and is bound to expand our understanding of human development, health and disease. Ultimately, our hope is that medical science will capitalize on these scientific advances to promote the health and well-being of our citizens.

It is the discovery of ''disease genes'' that provides the eye of the current legislative storm. Scientists have already identified genes that are associated with increased risk of certain diseases including: breast cancer, colon cancer and Alzheimer's dementia. In time, more genes will be linked to risk of future disease. While early knowledge of disease risk is imperative to our ability to take measures to prevent disease, many fear some form of retribution for carrying ''bad'' genes and, therefore, refuse testing. Discrimination in health insurance, either by denial of coverage or excessive premium rates, is the major concern of most individuals. For example, nearly a third of women offered a test for breast cancer risk at the National Institutes of Health declined citing concerns about health insurance discrimination.

Biomedical research and scientific progress march on and do not pause for social and public policy debate and legislation. The escalating speed of genetic discovery mandates that Congress act now to prohibit discrimination against healthy individuals who may have a genetic predisposition to disease. The bill I have been working on with Senators SNOWE and JEFFORDS prohibits group health plans or health insurance issuers from adjusting premiums based on predictive genetic information regarding an individual. In the individual insurance market, our bill prohibits health insurance issuers from using predictive genetic information to deny coverage or to set premium rates. Furthermore, insurers are prohibited from requesting predictive genetic information or requiring an individual to undergo genetic testing. If genetic information is requested for diagnosis of disease, or treatment and payment for services, health insurers are required to provide patients a description of the procedures in place to safeguard the confidentiality of such information.

The deciphering of the human genome presents an unparalleled opportunity to more completely understand disease processes and cures. We want patients to benefit from our investment in biomedical research and fully utilize medical advancements to improve their health. This will not be possible unless individuals are willing to be tested. Patients must feel safe from repercussions based on their genetic profile. Prohibition of genetic discrimination in insurance will remove the greatest barrier to testing and thus further accelerate our scientific progress.

My Senate colleagues and I are in the process of scrutinizing the quality of the medical care in our country. Increasing access to health care and improving the quality of that care are two cornerstones of the Senate Republican Patients' Bill of Rights (S.300/S.326). I believe that quality is best achieved when patients and their care givers can make fully informed decisions regarding different treatment options. In addition, the essence of a long and productive life is the adoption of healthy habits including preventative measures based on disease risk assessment. As a result, testing for genetic risk becomes an indispensable part of quality health care—which is why Senators SNOWE, JEFFORDS, HAGEL, COLLINS, and I felt strongly that genetic discrimination provisions must be included our Patients' Bill of Rights. Patients must not forgo genetic testing because of fear of discrimination in insurance. We have the opportunity—we have the duty—to dispel the threat of discrimination based on an individual's genetic heritage. I look forward to working with my colleagues to enact these provisions this year as the health care debate moves forward.

Mr. JEFFORDS. Mr. President, it is with great pride that I introduce the ''Genetic Information Nondiscrimination in Health Insurance Act of 1999,'' with my colleagues, Senators SNOWE, FRIST, HAGEL, and COLLINS. These protections will give all Americans the assurance that the scientific breakthroughs in genetics testing are only used to improve an individual's health and not as a new means of discrimination.

On May 21st of last year, I held a Labor and Human Resources Committee hearing on ''Genetic Information and Health Care,'' which proved to be one of the most important of the Committee's hearing during the 105th Congress. At that hearing, the Committee was presented information regarding the enormous health benefits that genetic testing research may contribute to health care, particularly in preventative medicine. Additionally, we heard compelling testimony from witnesses who fear that genetic testing will be used to discriminate against individuals with asmyptomatic conditions and to deny them the access to health insurance coverage that they have traditionally enjoyed.

Following that hearing, I directed my staff to work with the offices of Senator FRIST and the other members of the Labor Committee, together with the office of Senator SNOWE, to draft legislation that build on Senator SNOWE's bill, S. 89, to ensure that individuals would be able to control the use of their predictive genetic information. The results of these efforts are reflected in the genetic information provisions of S. 300, ''The Patients' Bill of Rights Plus Act.''

Our legislation addresses the concerns that were raised at the hearing:

1. It prohibits group health plans and health insurance companies in all markets from adjusting premiums on the basis of predictive genetic information.

2. Prohibits group health plans and health insurance companies from requesting predictive genetic information as a condition of enrollment.

3. It allows plans to request—but not require—that an individual disclose or authorize the collection of predictive genetic information for diagnosis, treatment, or payment purposes. In addition, as part of the request, the group health plans or health insurance companies must provide individuals with a description of the procedures in place to safeguard the confidentiality of the information.

For a society, it is often said, demography is destiny. But for an individual, as we are learning more and more, it is DNA that is destiny. Each week, it seems, scientists decipher another peace of the genetic code, opening doors to greater understanding of how our bodies work, how they fail, and how they might be cured.

Everyday we read of new discoveries resulting from the work being conducted at the National Center for Human Genome Research. As our body of scientific knowledge about genetics, increases, so, too, do the concerns about how this information may be used. There is no question that our understanding of genetics has brought us to the brink of a new future. Our challenge as a Congress will be to help ensure that our society reaps the full health benefits of genetic testing and also to put to rest any concerns that the information will be used as a new tool to discriminate against specific ethnic groups or individual Americans.

With the enactment of the ''Genetic Information Nondiscrimination in Health Insurance Act of 1999'' as a part of S. 300—''The Patients' Bill of Rights Plus Act''—we will be able to ensure that these scientific breakthroughs stimulated by the Human Genome Project will be used to provide better health for all members of our society and not as a means of discrimination.

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By Mr. HOLLINGS (for himself and Mr. ROCKEFELLER):

S. 545. A bill to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 1999, 2000, 2001, 2002, 2003, and 2004, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE FEDERAL AVIATION ADMINISTRATION AUTHORIZATION ACT OF 1999

Mr. HOLLINGS. Mr. President, I rise today to introduce the Administration's 1999 Reauthorization bill at the request of Transportation Secretary Rodney Slater. I introduce it so that it can be part of the debates on the future of our aviation system. There are many provisions that I do not support and the Secretary understands this. However, the FAA needs adequate funding.

The money is in the Airport and Airways Trust Fund—we just need to unlock it.

The items which concern me include the PFC and doing away with the High Density Rule and fees. Furthermore, I take issue with the Performance Based Organization though I recognize that many segments of the industry support it. We will not privatize the ATC System, but we must make sure FAA has the tools and money to do its job.

I intend to work with the Secretary and Senators MCCAIN, ROCKEFELLER, and GORTON to accomplish this common goal.

Mr. ROCKEFELLER. Mr. President, today, along with Senator HOLLINGS, I am introducing the Administration's legislative proposal for reauthorizing the programs of the Federal Aviation Administration. I do so at the request of Transportation Secretary Rodney Slater who is eager to have the Senate consider his key initiatives.

Among other provisions, the bill includes a number of initiatives that will be beneficial to small communities, modeled in part after S. 379, the Air Service Restoration Act, which I introduced earlier this year, along with Senators DORGAN, WYDEN, HARKIN, and BINGAMAN. Several of these provisions also have been incorporated into the FAA reauthorization bill, S. 82, which has been favorably reported by the Commerce Committee.

Many of my colleagues share my own commitment to addressing the critical needs and concerns of small communities—the challenges they face in general, and the lack of air service in particular. I am very pleased that the Secretary's bill offers leadership in this area.

I must also point out, however, that there are other areas of the Administration's bill that I am reserving judgment on and may not be able to support. The Secretary is aware of my concerns, and I want to work with him and my colleagues on crafting a meaningful legislative package to reform the FAA, strengthen the Airport Improvement Program, enhance aviation competition and address the needs of small communities.

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By Mr. DORGAN:

S. 546. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals; to the Committee on Finance.

THE HEALTH INSURANCE COST TAX EQUITY ACT OF 1999

Mr. DORGAN. Mr. President, today I rise to introduce the Health Insurance Cost Tax Equity Act of 1999, to immediately put our nation's sole proprietors on par with their larger corporate competitors with respect to the tax treatment of their health insurance costs, without any further delay.

I have argued for some time that it's indefensible that our federal tax laws tell some of our biggest corporations that they can deduct 100 percent of their health insurance costs, while others, mostly smaller businesses, are told they can deduct only a smaller share of their health insurance costs. Although we've recently made some progress in addressing this problem, the appropriate solution remains elusive.

Moreover, the reasons for promptly correcting this tax inequity are even more urgent today as many small businesses, especially our family farmers, are now facing the financial struggles of their lives. Not only is continued delay of this equitable tax treatment unacceptable for family farmers and ranchers whose documented risks in business are reflected in higher health costs, but it's also diverting resources away from the operations of farms, ranches and Main Street businesses in rural America at a time when many simply can't afford it.

Over the past several years, Congress has taken some steps in addressing this unfair disparity in the deductibility of health insurance costs by allowing sole proprietors to deduct a larger share of their health insurance costs. But we've been taking steps that are too small and too slow. This year, sole proprietors may deduct only 60-percent of their health insurance costs for tax purposes. This glaring unfairness is scheduled to be fixed by the year 2003, when our nation's small business owners will finally be able to claim a 100-percent deduction, just like large corporations already enjoy. But this is simply too late for many small businesses.

We can no longer delay providing this tax relief because many of the self-employed who would benefit from it—including farmers and ranchers—are struggling through the worst farm crisis in memory. That's why my legislation would provide farmers, ranchers and other sole proprietors a full, 100-percent tax deduction for this year's health insurance costs.

Mr. President, the health of a farm family or small business owner is no less important than the health of the president of a large corporation, and the Internal Revenue Code should reflect this simple fact now. I urge my colleagues to cosponsor this legislation and join me in immediately ending this tax inequity at the first available opportunity.

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By Mr. CHAFEE (for himself, Mr. MACK, Mr. LIEBERMAN, Mr. WARNER, Mr. MOYNIHAN, Mr. REID, Mr. JEFFORDS, Mr. WYDEN, Mr. BIDEN, Ms. COLLINS, Mr. BAUCUS, and Mr. VOINOVICH):

S. 547. A bill to authorize the President to enter into agreements to provide regulatory credit for voluntary early action to mitigate potential environmental impacts from greenhouse gas emissions; to the Committee on Environment and Public Works.

CREDIT FOR VOLUNTARY REDUCTIONS ACT

Mr. CHAFEE. Mr. President, I am proud to join with Senators MACK, LIEBERMAN, WARNER, MOYNIHAN, and a host of others to introduce the Credit for Voluntary Reductions Act of 1999.

This bipartisan legislation addresses a major disincentive that is preventing voluntary, cost-effective, and near-term actions by U.S. entities to reduce the threat of global climate change. In a word, this disincentive is uncertainty. Let me explain.

There is growing certainty in the international scientific community, and indeed within our own business community, that human actions may eventually cause harmful disturbances to our global climate system. Unfortunately, no one in the business world or the Congress knows for sure what, if anything, might be done in the future to stabilize atmospheric concentrations of carbon dioxide and other greenhouse gases.

Will the 1997 Kyoto Protocol ever be ratified and implemented in the United States? Many, particularly here on Capitol Hill, believe not. If the Kyoto Protocol is never implemented, will something else replace it? More persons than not think this is a real possibility.

Will the United States ever reach the point where greenhouse gas mitigation is legally required? Observers on all sides of this debate, irrespective of their preference, will concede that there is a reasonable probability of future government regulation in one form or another. Or, at least there is no guarantee that mandatory action will never be imposed.

But when might such government requirements take effect? How would they be designed? Finally, who will be subjected to them? What emission sources might be exempted? No one can answer these questions definitively. And such inquiries will likely go unanswered for a considerable amount of time into the future.

While the Credit for Voluntary Reductions legislation does not introduce, encourage, or suggest in any way the need for a regulatory program—the fact remains that none of us can predict what will happen scientifically or politically on the climate change issue over the next several years or decades.

In the face of this policy uncertainty, it is easy to understand why many corporate leaders and small businessmen alike are reluctant to take big steps—even if certain voluntary actions improve their bottom line. Business leaders, with history as their guide, are worried that their own government will discount or not credit these good, but voluntary deeds under some potential, future regulatory regime.

They fear that, after all is said and done, they will have been forced to spend twice as much to control pollutants as their laggard competitors. In the face of this uncertainty, business may be inclined to wait to reduce emissions until after the diplomatic, political, and regulatory dust has cleared. Meanwhile, billions more tons of greenhouse gases are released by man into

the atmosphere every year—and important, cost-effective opportunities to reduce emissions may be lost.

It is this uncertainty, this regulatory and financial risk, that our legislation is intended to diminish.

The proposal clears the way for voluntary projects that otherwise might not go forward. It is designed to reduce the current uncertainty and risk faced by potentially regulated entities to the government. This legislation gets the government out of the way so that the marketplace may determine new and cost-effective ways to do business while emitting less.

How does the legislation work? We authorize the President to enter into greenhouse gas reduction agreements with entities operating in the United States.

Once executed, these agreements will provide credits for voluntary greenhouse gas reductions and sequestration achieved by domestic entities over the voluntary period. Because we do not know when, if ever, the U.S. will impose emission reductions, we do not know the duration of the actual voluntary period. The bill does, however, establish a 10-year sunset on the voluntary crediting period.

An entity earns one-for-one credit if it reduces its aggregate emissions from U.S. sources below the applicable baseline for the duration of the voluntary period. On the sequestration side, the entity could offset emissions, and potentially earn credits thereby, if it increases its net sequestration above the applicable sequestration baseline during the voluntary period.

While I expect a great deal of debate on the establishment of baselines, and likely some significant changes, we wanted to initiate the debate by establishing a baseline that uses recent historical emissions data. In the bill as introduced, we suggest an averaged baseline made up by actual emission levels from 1996 through 1998.

Mr. President, while I have an open mind on how we establish baselines or other performance measurements in this measure, I want to be clear that I will insist on a benchmark that is fair for business and that is environmentally sound. Clearly, we will be required to deal with continued business growth in this bill. That is, how to achieve clear environmental gains under this voluntary approach while still crediting the good deeds of growing and changing industries.

There are other key issues, important details, that we will need to pin down in the coming weeks. To ensure the economic and environmental integrity of this program, it is incumbent upon us to require that the government credits are issued for verifiable and legitimate actions that contribute to climate stabilization. If a credit represents a ton of greenhouse gases in some future marketplace, or as an offset to some future regulatory obligation, than it must be a ton reduced or sequestered, not a phantom thereof.

We will also be careful to establish a system that recognizes past activities, that is, climate mitigation projects that have occurred since the early 1990's, that clearly can be shown to be measurable emission reduction or sequestration actions.

The recognition of both overseas and sequestration activities also present some unique challenges if we are to maintain a true environmental program that happens to be voluntary. But the development of carbon sinks and overseas emission reduction projects also provide tremendous opportunities to address potential climate change in a cost-effective and whole way. If we are going to meet the challenges before us on global change, we will do so with all of the tools that science tells us are available.

Mr. President, I could not be more pleased that we have been able to establish both business and environmental allies for this cause. Leading companies from the electric utility sector, a number of petroleum and natural gas companies, important automakers, agriculture, the cement makers, aluminum, chemicals, forestry, and other energy intensive industries recognize what is at stake here and are working with us to represent their interests. Many of them are also making great strides to benefit the global environment and they should be appropriately recognized.

One important area that we will need to spend some time on is the product manufacturing sector. I recognize that appliance, air conditioning, and many product manufacturers believe that credits must be available for their voluntary improvements in energy efficiency and other actions which directly and indirectly reduce or mitigate greenhouse gas emissions. The legislation is perhaps not as clear as it needs to be on this important issue and I intend to work closely with these growing industries and other interested parties to address it.

Our environmental allies recognize that there is an important opportunity here to achieve constructive, cost-effective, and voluntary strategies to address the threat of global climate change. Many of them recognize that our legislation is designed to offer a platform to diverse interests, including those with clashing objectives, for moving forward to support an initiative through which businesses can serve their own economic self-interest while bringing about environmental improvement.

Mr. President, the legislation we are offering today includes very few revisions from the voluntary credits bill (S. 2617) that we introduced last October. This is not because we think we have the perfect document—not at all. We need to go through the process—hold hearings, continue to meet with industry and the environmental community, have discussions with Senate colleagues—before we make any significant revisions. But we will continue to do those things, and we will make improvements to this important legislation.

While I have strong beliefs on the science of climate change and find some significant merits in the Kyoto Protocol—this legislation is completely agnostic on both. The fact is, this bill creates an ''escrow account'' for any U.S. entity that has made up its own mind to do things to earn emission credits—nothing more and nothing less with respect to ratification and implementation of the Kyoto Protocol or any other international or domestic regulatory program.

The issue of global climate change is serious business. While the international and domestic processes play out over the next period of years, let us move forward with sensible, cost-effective, voluntary incentives. What is the alternative?

Mr. President, I ask unanimous consent that the bill be printed in the RECORD. Finally, I encourage my colleagues to take a hard look at this initiative, to talk with their constituents, and to consider working with us to improve and advance good, bipartisan, and voluntary legislation.

There being no objection, the bill was ordered to be printed in the RECORD, as follows.

S. 547

*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 ''Credit for Voluntary Reductions Act''.

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



**SEC. 2. PURPOSE.**

The purpose of this Act is to encourage voluntary actions to mitigate potential environmental impacts of greenhouse gas emissions by authorizing the President to enter into binding agreements under which entities operating in the United States will receive credit, usable in any future domestic program that requires mitigation of greenhouse gas emissions, for voluntary mitigation actions taken before the end of the credit period.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) CARBON RESERVOIR.—The term ''carbon reservoir'' means quantifiable nonfossil storage of carbon in a natural or managed ecosystem or other reservoir.

(2) COMPLIANCE PERIOD.—The term ''compliance period'' means any period during

which a domestic greenhouse gas regulatory statute is in effect.

(3) CREDIT PERIOD.—The term ''credit period'' means—

(A) the period of January 1, 1999, through the earlier of—

(i) the day before the beginning of the compliance period; or

(ii) the end of the ninth calendar year that begins after the date of enactment of this Act; or

(B) if a different period is determined for a participant under section 5(e) or 6(c)(4), the period so determined.

(4) DOMESTIC.—The term ''domestic'' means within the territorial jurisdiction of the United States.

(5) DOMESTIC GREENHOUSE GAS REGULATORY STATUTE.—The term ''domestic greenhouse gas regulatory statute'' means a Federal statute, enacted after the date of enactment of this Act, that imposes a quantitative limitation on domestic greenhouse gas emissions, or taxes such emissions.

(6) EARLY ACTION AGREEMENT.—The term ''early action agreement'' means an agreement with the United States entered into under section 4(a).

(7) EXISTING SOURCE.—The term ''existing source'' means a source that emitted greenhouse gases during the participant's base period determined under section 6.

(8) GREENHOUSE GAS.—The term ''greenhouse gas'' means—

(A) carbon dioxide; and

(B) to the extent provided by an early action agreement—

(i) methane;

(ii) nitrous oxide;

(iii) hydrofluorocarbons;

(iv) perfluorocarbons; and

(v) sulfur hexafluoride.

(9) GREENHOUSE GAS REDUCTION CREDIT.—The term ''greenhouse gas reduction credit'' means an authorization under a domestic greenhouse gas regulatory statute to emit 1 metric ton of greenhouse gas (expressed in terms of carbon dioxide equivalent) that is provided because of greenhouse gas emission reductions or carbon sequestration carried out before the compliance period.

(10) NEW SOURCE.—The term ''new source'' means—

(A) a source other than an existing source; and

(B) a facility that would be a source but for the facility's use of renewable energy.

(11) OWN.—The term ''own'' means to have direct or indirect ownership of an undivided interest in an asset.

(12) PARTICIPANT.—The term ''participant'' means a person that enters into an early action agreement with the United States under this Act.

(13) PERSON.—The term ''person'' includes a governmental entity.

(14) SOURCE.—The term ''source'' means a source of greenhouse gas emissions.

**SEC. 4. AUTHORITY FOR EARLY ACTION AGREEMENTS.**

(a) AUTHORITY.—

(1) IN GENERAL.—The President may enter into a legally binding early action agreement with any person under which the United States agrees to provide greenhouse gas reduction credit usable beginning in the compliance period, if the person takes an action described in section 5 that reduces greenhouse gas emissions or sequesters carbon before the end of the credit period.

(2) REQUIREMENTS.—An early action agreement entered into under paragraph (1) shall meet either—

(A) the requirements for early action agreements under sections 5 through 8; or

(B) in the case of a participant described in section 9, the requirements of that section.

(b) DELEGATION.—The President may delegate any authority under this Act to any Federal department or agency.

(c) REGULATIONS.—The President may promulgate such regulations (including guidelines) as are appropriate to carry out this Act.

**SEC. 5. ENTITLEMENT TO GREENHOUSE GAS REDUCTION CREDIT FOR EARLY ACTION.**

(a) INTERNATIONALLY CREDITABLE ACTIONS.—A participant shall receive greenhouse gas reduction credit under an early action agreement if the participant takes an action that—

(1) reduces greenhouse gas emissions or sequesters carbon before the end of the credit period; and

(2) under any applicable international agreement, will result in an addition to the United States quantified emission limitation for the compliance period.

(b) UNITED STATES INITIATIVE FOR JOINT IMPLEMENTATION.—

(1) IN GENERAL.—Subject to paragraph (2), an early action agreement may provide that a participant shall be entitled to receive greenhouse gas reduction credit for a greenhouse gas emission reduction or carbon sequestration that—

(A) is not creditable under subsection (a); and

(B) is for a project—

(i) accepted before December 31, 2000, under the United States Initiative for Joint Implementation; and

(ii) financing for which was provided or construction of which was commenced before that date.

(2) LIMITATION ON PERIOD DURING WHICH CREDIT MAY BE EARNED.—No greenhouse gas reduction credit may be earned under this subsection after the earlier of—

(A) the earliest date on which credit may be earned for a greenhouse gas emission reduction, carbon sequestration, or comparable project under an applicable international agreement; or

(B) the end of the credit period.

(c) PROSPECTIVE DOMESTIC ACTIONS.—

(1) EMISSION REDUCTIONS.—A participant shall receive greenhouse gas reduction credit under an early action agreement if, during the credit period—

(A) the participant's aggregate greenhouse gas emissions from domestic sources that are covered by the early action agreement; are less than

(B) the sum of the participant's annual source baselines during that period (as determined under section 6 and adjusted under subsections (a)(2), (c)(1), and (c)(2) of section 7).

(2) SEQUESTRATION.—For the purpose of receiving greenhouse gas reduction credit under paragraph (1), the amount by which aggregate net carbon sequestration for the credit period in a participant's domestic carbon reservoirs covered by an early action agreement exceeds the sum of the participant's annual reservoir baselines for the credit period (as determined under section 6 and adjusted under section 7(c)(1)(B)) shall be treated as a greenhouse gas emission reduction.

(d) DOMESTIC SECTION 1605 ACTIONS.—

(1) CREDIT.—An early action agreement may provide that a participant shall be entitled to receive 1 ton of greenhouse gas reduction credit for each ton of greenhouse gas emission reductions or carbon sequestration for the 1991 through 1998 period from domestic actions that are—

(A) reported before January 1, 1999, under section 1605 of the Energy Policy Act of 1992 (42 U.S.C. 13385); or

(B) carried out and reported before January 1, 1999, under a Federal agency program to implement the Climate Change Action Plan.

(2) VERIFICATION.—The participant shall provide information sufficient to verify to the satisfaction of the President (in accordance with section 8 and the regulations promulgated under section 4(c)) that actions reported under paragraph (1)—

(A) have been accurately reported;

(B) are not double-counted; and

(C) represent actual reductions in greenhouse gas emissions or actual increases in net carbon sequestration.

(e) EXTENSION.—The parties to an early action agreement may extend the credit period during which greenhouse gas reduction credit may be earned under the early action agreement, if Congress permits such an extension by law enacted after the date of enactment of this Act.

(f) AWARD OF GREENHOUSE GAS REDUCTION CREDIT.—

(1) ANNUAL NOTIFICATION OF CUMULATIVE BALANCES.—After the end of each calendar year, the President shall notify each participant of the cumulative balance (if any) of greenhouse gas reduction credit earned under an early action agreement as of the end of the calendar year.

(2) AWARD OF FINAL CREDIT.—Effective at the end of the credit period, a participant shall have a contractual entitlement, to the extent provided in the participant's early action agreement, to receive 1 ton of greenhouse gas reduction credit for each 1 ton that is creditable under subsections (a) through (d).

**SEC. 6. BASELINE AND BASE PERIOD.**

(a) SOURCE BASELINE.—A participant's annual source baseline for each of the calendar years in the credit period shall be equal to the participant's average annual greenhouse gas emissions from domestic sources covered by the participant's early action agreement during the participant's base period, adjusted for the calendar year as provided in subsections (a)(2), (c)(1), and (c)(2) of section 7.

(b) RESERVOIR BASELINE.—A participant's annual reservoir baseline for each of the calendar years in the credit period shall be equal to the average level of carbon stocks in carbon reservoirs covered by the participant's early action agreement for the participant's base period, adjusted for the calendar year as provided in section 7(c)(1).

(c) BASE PERIOD.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a participant's base period shall be 1996 through 1998.

(2) DATA UNAVAILABLE OR UNREPRESENTATIVE.—The regulations promulgated under section 4(c) may specify a base period other than 1996 through 1998 that will be applicable if adequate data are not available to determine a 1996 through 1998 baseline or if such data are unrepresentative.

(3) ELECTIONS.—The regulations promulgated under section 4(c) may permit a participant to elect a base period earlier than 1996 (not to include any year earlier than 1990) to reflect voluntary reductions made before January 1, 1996.

(4) ADJUSTMENT OF PERIOD DURING WHICH CREDIT MAY BE EARNED.—Notwithstanding subsections (c) and (d) of section 5, except as otherwise provided by the regulations promulgated under section 4(c), if an election is made for a base period earlier than 1996—

(A) greenhouse gas reduction credit shall be available under section 5(c) for the calendar year that begins after the end of the base period and any calendar year thereafter through the end of the credit period; and

(B) greenhouse gas reduction credit shall be available under section 5(d) only through the end of the base period.

**SEC. 7. SOURCES AND CARBON RESERVOIRS COVERED BY EARLY ACTION AGREEMENTS.**

(a) SOURCES.—

(1) IN GENERAL.—

(A) COVERED SOURCES.—Except as otherwise provided in this subsection, a participant's early action agreement shall cover all domestic greenhouse gas sources that the participant owns as of the date on which the early action agreement is entered into.

(B) EXCLUSIONS.—The regulations promulgated under section 4(c) (or the terms of an early action agreement) may exclude from coverage under an early action agreement—

(i) small or diverse sources owned by the participant; and

(ii) sources owned by more than 1 person.

(2) NEW SOURCES.—

(A) IN GENERAL.—The regulations promulgated under section 4(c) may provide that an early action agreement may provide for an annual addition to a participant's source baseline to account for new sources owned by the participant.

(B) AMOUNT OF ADDITION.—The amount of an addition under subparagraph (A) shall reflect the emission performance of the most efficient commercially available technology for sources that produce the same or similar output as the new source (determined as of the date on which the early action agreement is entered into).

(b) OPT-IN PROVISIONS.—

(1) OPT-IN FOR OTHER OWNED SOURCES.—Domestic sources owned by a participant that are not required to be covered under subsection (a) may be covered under an early action agreement at the election of the participant.

(2) OPT-IN FOR CARBON RESERVOIRS.—

(A) IN GENERAL.—An early action agreement may provide that domestic carbon reservoirs owned by a participant may be covered under the early action agreement at the election of the participant.

(B) COVERAGE.—Except in the case of small or diverse carbon reservoirs owned by the participant (as provided in the regulations promulgated under section 4(c)), if a participant elects to have domestic carbon reservoirs covered under the early action agreement, all of the participant's domestic carbon reservoirs shall be covered under the early action agreement.

(3) OPT-IN FOR SOURCES AND CARBON RESERVOIRS NOT OWNED BY PARTICIPANT.—Any source or carbon reservoir not owned by the participant, or any project that decreases greenhouse gas emissions from or sequesters carbon in such a source or carbon reservoir, may be covered by an early action agreement—

(A) in the case of a source or carbon reservoir that is covered by another early action agreement, if each owner of the source or carbon reservoir agrees to exclude the source or reservoir from coverage by the owner's early action agreement; and

(B) in accordance with the regulations promulgated under section 4(c).

(c) ACCOUNTING RULES.—

(1) TRANSFERS.—If ownership of a source or carbon reservoir covered by an early action agreement is transferred to or from the participant—

(A) in the case of a source, the source's emissions shall be adjusted to reflect the transfer for the base period and each year for which greenhouse gas reduction credit is claimed; and

(B) in the case of a carbon reservoir—

(i) the carbon reservoir's carbon stocks shall be adjusted to reflect the transfer for the participant's base period; and

(ii) the carbon reservoir's net carbon sequestration shall be adjusted to reflect the transfer for each year for which greenhouse gas reduction credit is claimed.

(2) DISPLACEMENT OF EMISSIONS.—An early action agreement shall contain effective and workable provisions that ensure that only net emission reductions will be credited under section 5 in circumstances in which emissions are displaced from sources covered by an early action agreement to sources not covered by an early action agreement.

(3) PERIOD OF COVERAGE.—Emissions from sources and net carbon sequestration in carbon reservoirs shall be covered by an early action agreement for the credit period, except as provided under paragraph (1) or by the regulations promulgated under section 4(c).

(4) PARTIAL YEARS.—An early action agreement shall contain appropriate provisions for any partial year of coverage of a source or carbon reservoir.

**SEC. 8. MEASUREMENT AND VERIFICATION.**

(a) IN GENERAL.—In accordance with the regulations promulgated under section 4(c), an early action agreement shall—

(1) provide that, for each calendar year during which the early action agreement is in effect, the participant shall report to the United States, as applicable—

(A) the participant's annual source baseline and greenhouse gas emissions for the calendar year; and

(B) the participant's annual reservoir baseline and net carbon sequestration for the calendar year;

(2) establish procedures under which the participant will measure, track, and report the information required by paragraph (1);

(3) establish requirements for maintenance of records by the participant and provisions for inspection of the records by representatives of the United States; and

(4) permit qualified independent third party entities to measure, track, and report the information required by paragraph (1) on behalf of the participant.

(b) AVAILABILITY OF REPORTS TO THE PUBLIC.—Reports required to be made under subsection (a)(1) shall be available to the public.

(c) CONFIDENTIALITY.—The regulations promulgated under section 4(c) shall make appropriate provision for protection of confidential commercial and financial information.

**SEC. 9. AUTHORITY TO ENTER INTO AGREEMENTS THAT ACHIEVE COMPARABLE REDUCTIONS.**

In the case of a participant that manufactures or constructs for sale to end-users equipment or facilities that emit greenhouse gases, the President may enter into an early action agreement that does not meet the requirements of sections 5 through 7, if the President determines that—

(1) an early action agreement that meets the requirements of those sections is infeasible;

(2) an alternative form of agreement would better carry out this Act; and

(3) an agreement under this section would achieve tonnage reductions of greenhouse gas emissions that are comparable to reductions that would be achieved under an agreement that meets the requirements of those sections.

**SEC. 10. TRADING AND POOLING.**

(a) TRADING.—A participant may—

(1) purchase earned greenhouse gas reduction credit from and sell the credit to any other participant; and

(2) sell the credit to any person that is not a participant.

(b) POOLING.—The regulations promulgated under section 4(c) may permit pooling arrangements under which a group of participants agrees to act as a single participant for the purpose of entering into an early action agreement.

**SEC. 11. RELATIONSHIP TO FUTURE DOMESTIC GREENHOUSE GAS REGULATORY STATUTE.**

(a) IN GENERAL.—An early action agreement shall not bind the United States to adopt (or not to adopt) any particular form of domestic greenhouse gas regulatory statute, except that an early action agreement shall provide that—

(1) greenhouse gas reduction credit earned by a participant under an early action agreement shall be provided to the participant in addition to any otherwise available authorizations of the participant to emit greenhouse gases during the compliance period under a domestic greenhouse gas regulatory statute; and

(2) if the allocation of authorizations under a domestic greenhouse gas regulatory statute to emit greenhouse gases during the compliance period is based on the level of a participant's emissions during a historic period that is later than the participant's base period under the participant's early action agreement, any greenhouse gas reduction credit to which the participant was entitled under the early action agreement for domestic greenhouse gas reductions during that historic period shall, for the purpose of that allocation, be added back to the participant's greenhouse gas emissions level for the historic period.

(b) LIMITATION.—Nothing in this Act authorizes aggregate greenhouse gas emissions from domestic sources in an amount that exceeds any greenhouse gas emission limitation applicable to the United States under an international agreement that has been ratified by the United States and has entered into force.

Mr. MACK. Mr. President, I rise today to join with my distinguished colleagues, Senators CHAFEE, LIEBERMAN, and others, in introducing the Credit for Voluntary Early Action Act. This measure is an important first step towards reducing the regulatory uncertainty surrounding any possible regulation of greenhouse gas emissions. This bill will provided us a valuable platform for a thorough discussion of this important issue and I encourage all my colleagues to join us in our efforts.

In my state of Florida, we learned long ago that a healthy environment is fundamentally necessary for a healthy economy. This is evidenced by our congressional delegation's historic bipartisan consensus on such important national issues as the protection of the Florida Everglades and our efforts to stop oil and gas exploration off our beaches. The citizens of my state know full well how necessary it is we keep our environment clean and pristine.

I'm proud to stand with my colleagues here today and take Florida's common sense, market-based attitude on the environment to the national level. The legislation we're sponsoring today would encourage and reward voluntary actions businesses take to reduce the emission of potentially harmful greenhouse gases like carbon dioxide.

Under our bill, the President would be authorized to provide regulatory credit to companies who take early voluntary action to reduce greenhouse gas emissions. This credit could be used to comply with future regulatory

requirements and—in a market-based approach—traded or sold to other companies as they work to meet their own environmental obligations.

Participants in this innovative program would agree to annually measure, track and publicly report greenhouse gas emissions. Credit given would be one-for-one, based on actual reductions below an agreed-upon baseline. Credits issued under the program would be subtracted from total emissions allowed under future regulatory emissions requirements.

I believe this approach makes sense for many reasons. For one, there are many uncertainties surrounding the issue of greenhouse gas emissions and their relation to global warming. The complexities and uncertainties associated with understanding the interactions of our climate, our atmosphere and the impact of human behavior are enormous. I have my own concerns about the science behind this issue, and have tremendous concerns about the regulatory approach outlined in last year's Kyoto agreement. It is not my intent—in cosponsoring this bill—to validate Kyoto or the underlying science. Those issues are best left to the scientists and future congresses. Today, we are simply trying to clear the way for voluntary emissions-reductions projects that would otherwise be delayed for years. And we accomplish this in a way that is not costly to the taxpayers.

It makes sense to provide appropriate encouragement to businesses who want to invest in improved efficiency—those who want to find ways to make cars, factories and power production cleaner. Under our bill, these companies are encouraged—not based on government fiat or handout—to get credit for their own initiative and problem solving skills.

Another reason I believe this legislation would be beneficial is because today's businesses have no control over the regulations that could be required of them down the road. Although today's Congress has no desire to legislate requirements on greenhouse gases such as carbon dioxide, it is extremely difficult to predict where the scientific and economic data will carry future policymakers. In my view, it makes sense to encourage businesses to be proactive in protecting themselves from any future restrictions enacted by a more regulatory-minded Congress and administration.

Mr. President, all of us agree that a healthy environment is important to our future. It's time to put partisanship aside and solve our environmental problem in a way that will allow business to be in control of their own future while doing their part to address global warming. By allowing companies to earn credit for actions they take now, businesses can be prepared for any regulations in the future.

I look forward to beginning an earnest debate about this issue with my colleagues in the United States Senate. I believe we have an innovative approach to confronting as issue fraught with uncertainties. We should be looking to solve more of our problems by using our free market philosophy rather than by costly Washington mandates that my not work. The Credit for Voluntary Early Reductions Act is responsible effort to validate on the national level what we've always known in Florida: a healthy environment is key to a healthy economy.

Mr. LIEBERMAN. Mr. President, I am delighted to join today with my colleagues Senator CHAFEE, the chairman of the Environment and Public Works Committee, and Senators MACK, WARNER, MOYNIHAN, REID, WYDEN, JEFFORDS, BIDEN, BAUCUS, and COLLINS in introducing this important legislation. The point of this bi-partisan legislation is simple. It will provide credit, under any future greenhouse gas reduction systems we choose to adopt, to companies who act now to reduce their emissions. This is a voluntary, market-based approach that is a win-win situation for both American businesses and the environment.

Many companies want to move forward now to reduce their greenhouse gas emissions. They don't want to wait until legislation requires them to make these reductions. For some companies reducing greenhouse gases makes good economic sense because adopting cost-effective solutions can actually save them money by improving the efficiency of their operations. Companies recognize that if they reduce their greenhouse gas emissions now they will be able to add years to any potential compliance schedule, allowing them to spread their investment costs over a longer span of time. Under this legislation, businesses will have the flexibility to innovate and develop expertise regarding the most cost-effective ways in which their particular company can become part of the solution to the problem of greenhouse gas emissions.

This bill ensures that companies will be credited in future reduction proposals for actions taken now, thereby removing impediments preventing some voluntary efforts that would provide large environmental benefits. Focusing American ingenuity on early reductions will also help stimulate the search for and use of new, innovative strategies and technologies that are needed to enable companies both in this country and worldwide meet their reduction requirements in a cost-effective manner. Development of such strategies and technologies will improve American competitiveness in the more than $300 billion global environmental marketplace.

Early action by U.S. companies will begin creating very important environmental benefits now. By providing the certainty necessary to encourage companies to move forward with emission reductions, this legislation will lead to immediate reductions in greenhouse gas pollution. Once emitted, many greenhouse gases continue to trap heat in the atmosphere for a century or more. Early reductions can begin to slow the rate of buildup of greenhouse gases in the atmosphere, helping to minimize the environmental risks of continued global warming. It just makes sense to encourage practical action now.

The bill will help us deal with the serious threat posed by global climate change. Emissions of greenhouse gases that result from human activity, particularly the combustion of fossil fuels, are causing greenhouse gases to accumulate in the atmosphere above natural levels. More than 2,500 of the world's best scientific and technical experts have concluded that this increase threatens to change the balance of temperature and precipitation that we rely on for a host of economic and societal activities. The American Geophysical Union, a professional society comprised 35,000 geoscientists, recently stated that ''present understanding of the Earth climate system provides a compelling basis for legitimate public concern over future global- and regional-scale changes resulting from increased concentrations of greenhouse gases.''

We recently learned from scientists that 1998 was the hottest year on record and that nine of the hottest ten years occurred in the past decade. Scientists believe that a rise in global temperature may in turn result in sea level rise and changes in weather patterns, food and fiber production, human health, and ecosystems. Beyond the science that we know, our common sense tells us that the risks associated with climate change are serious. Weather-related disasters already cost our economy billions of dollars every year.

The climate agreement reached in Kyoto, Japan in 1997 was an historic agreement that provided the foundation for an international solution to climate change. The protocol included important provisions, fought for by American negotiators, aimed at establishing real targets and timetables for achieving emissions reductions and providing flexibility and market mechanisms for reducing compliance costs as we work to limit our emissions of greenhouse gases. In Buenos Aires last year, the international community began developing the details of the protocol. I had the privilege of participating as a Senate observer at both the Kyoto and Buenos Aires climate change conventions. I was particularly encouraged that developing countries, including Argentina and Kazakstan, indicated their willingness in Buenos Aires to limit the growth of their greenhouse gas emissions. Nations of the world are all coming to recognize that climate change is an issue of grave international concern and that all members of the global community must participate in solving the problem.

Unfortunately, the current atmosphere in Congress is such that some

would block any steps related to climate change until the Kyoto protocol is ratified by the Senate. President Clinton has said he will not submit the Kyoto protocol for ratification until developing countries demonstrate meaningful participation. I am encouraged by the progress made in Buenos Aires and am proud that the United States, by signing the protocol, is committed to a leadership role in the global effort to protect our Earth's irreplaceable natural environment. But to defer debate and action on any proposal that might reduce greenhouse gases until after Senate consideration of the protocol is to deny the United States the ability to act in its own economic and environmental self-interest. The issue at stake is how to develop an insurance policy to protect us against the danger of climate change. Regardless of our individual views on the Kyoto protocol, we in Congress must focus our debate on the issue of climate change and work to forge agreement on how we can move forward. Unfortunately, we have done too little to attack the escalating emissions of greenhouse gases which threaten our health, our safety and our homes.

I'm particularly pleased that the legislation grows out of principles developed in a dialogue between the Environmental Defense Fund and a number of major industries. I am encouraged that since the introduction of a similar version of this bill last year, we have received many constructive comments from those in the business and environmental communities. Many good suggestions are on the table now and we expect that many are yet to come; we welcome broad participation as we move forward on this legislation. I am committed to working through some of the important issues that have been raised. Indeed, I believe that it will be through the ongoing constructive participation of the widest spectrum of stakeholders that we will enact a law that catalyzes American action on climate change and delivers on the promise of crediting voluntary early actions.

I hope that my colleagues and their constituents will take an honest and hard look at this initiative and consider working with us to improve and advance good legislation that begins to address the profound threat of global climate change. This legislation alone will not protect us from the consequences of climate change, but it is a constructive and necessary step in the right direction. I believe that it is crucial that we begin to address the important issue of climate change now because we have a moral obligation to leave our children and grandchildren a vibrant, healthy, and productive planet and thriving global economy.

Mr. President, the debate about climate change is too often vested—and I believe wrongly so—in false choices between scientific findings, common sense, business investments and environmental awareness. The approach of this bill again demonstrates that these are not mutually exclusive choices, but highly compatible goals.

Mr. WARNER. Mr. President, I am pleased to join in cosponsoring legislation introduced today by Senator CHAFEE and my other colleagues to establish a voluntary incentive-based program to reduce the emissions of greenhouse gases.

This is an innovative concept that is in its formative stages. I am pleased to join in support of the concept of providing binding credits for industries who can verify reductions in greenhouse gas emissions. While there are significant issues that must be resolved in the final version of this legislation, I believe this voluntary approach has significant potential to encourage real reductions in greenhouse gas emissions. I look forward, as a member of the Committee on Environment and Public Works, to actively participating in the further development of this legislation.

Mr President, I also want to make clear that my support for this legislation does not indicate a change in my position on the Protocol on Global Climate Change—the Kyoto Protocol. I continue to strongly feel that the protocol is fatally flawed, and in its current form, should not be ratified by the Senate. My objections to this international agreement have been stated many times before. The agreement does not include appropriate involvement by key developing nations and it sets unachievable timetables for emissions reductions by developed nations. I am concerned that the end result would be unrealistic emission reduction requirements imposed on the United States without appropriate reductions assigned to other countries, and that in the end the United States economy would be severely impacted.

The legislation I am supporting today does not endorse the Kyoto protocol or call for a regulatory program to reduce greenhouse gas emissions. This legislation simply ensures that if the private sector takes important steps today to achieve reductions in their emissions, then these actions will be credited to them if there is a mandatory reduction program in the future.

Now, Mr. President, how we devise a legislative package that provides these credits and verifies if emissions are reduced will require significant discussions through the Committee's hearing process. For my part, I am enthusiastic about a successful resolution of these many issues. I look forward to particularly working to ensure that appropriate credit is provided for substantial carbon storage. Any legislative effort must recognize the important role of carbon sequestration in determining emission reduction strategies.

This bill is about protecting United States companies that have or are interested in taking voluntary steps to lower their output of carbon dioxide and other greenhouse gases. These companies have requested the protection this bill provides and I intend to work closely with Senator CHAFEE and others to deliver it.

Mr. MOYNIHAN. Mr. President, I rise to join my colleagues today in introducing the Credit for Voluntary Reductions Act of 1999. I am pleased to be an original cosponsor of this legislation.

The bill represents a far sighted effort to encourage early reductions of greenhouse gases. Under our program, companies in a wide range of industries may participate in a voluntary, market-based system of credit by making measurable reductions in greenhouse gases.

We have learned from our experience with implementing the 1990 Clean Air Act Amendments that the use of market-based incentives is the most cost-efficient, effective way to encourage corporate responsibility with respect to air emissions. Credit based systems have proven to effect emissions reductions which are larger than anticipated, at significantly lesser cost. The program laid out in our bill will remove market disincentives to taking action on greenhouse gas emissions and reward the initiative and innovation in the corporate sector.

My good friend Senator CHAFEE has highlighted today what is perhaps the most important issue facing any climate change legislation. While there is growing scientific certainty that human actions may eventually cause harmful disturbances to our climate system, no one is sure what may be done in the future to mitigate the effects of any atmospheric disruptions. The legislative and diplomatic proposals are myriad. Uncertainty over how climate change will be addressed, if at all, is a formidable hurdle to corporate actions which may begin to mitigate the problem. By simply establishing a system of credits which may be used at a later time to document emissions reductions, our bill begins to address this issue of uncertainty and provide incentives for positive action on emissions reductions.

I am proud to be an original cosponsor of this innovative legislation, and I encourage my colleagues to support our efforts.

Mr. JEFFORDS. Mr. President, climate change poses potential real threats to Vermont, the Nation, and the World. While we cannot yet predict the exact timing, magnitude, or nature of these threats, we must not let our uncertainty lead to inaction.

Preventing climate change is a daunting challenge. It will not be solved by a single bill or a single action. As we do not know the extent of the threat, we also do not know the extent of the solution. But we cannot let our lack of knowledge lead to lack of action. We must start today. Our first steps will be hesitant and imperfect, but they will be a beginning.

Today I am joining Senator CHAFEE, Senator MACK, Senator LIEBERMAN and a host of others in cosponsoring the Credit for Early Action Act in the United States Senate.

Credit for Early Action gives incentives to American businesses to voluntarily reduce their emissions of greenhouse gases. Properly constructed, Credit for Early Action will increase energy efficiency, promote renewable energy, provide cleaner air, and help reduce the threat of possible global climatic disruptions. It will help industry plan for the future and save money on energy. It rewards companies for doing the right thing—conserving energy and promoting renewable energy. Without Credit for Early Action, industries which do the right thing run the risk of being penalized for having done so. We introduce this bill as a signal to industry: you will not be penalized for increasing energy efficiency and investing in renewable energy, you will be rewarded.

In writing this bill, Senators CHAFEE, MACK, and LIEBERMAN have done an excellent job with a difficult subject. I am cosponsoring the Credit for Early Action legislation as an endorsement for taking a first step in the right direction. I will be working with my colleagues throughout this Congress to strengthen this legislation to ensure that it strongly addresses the challenges that lie ahead. The bill must be changed to guarantee that our emissions will decrease to acceptable levels, and guarantee that credits will be given out equitably. These modifications can be summarized in a single sentence: credits awarded must be proportional to benefits gained. This goal can be achieved through two additions: a rate-based performance standard and a cap on total emissions credits.

The rate-based performance standard is the most important item. A rate-based standard gives credits to those companies which are the most efficient in their class—not those that are the biggest and dirtiest to begin with. Companies are rewarded for producing the most product for the least amount of emissions. Small and growing companies would have the same opportunities to earn credits as large companies. This system would create a just and equitable means of awarding emissions credits to companies which voluntarily increase their energy efficiency and renewable energy use.

The second item is an adjustable annual cap on total emissions credits. An adjustable annual cap allows Congress to weigh the number of credits given out against the actual reduction in total emissions. Since the ultimate goal is to reduce U.S. emissions, this provision would allow a means to ensure that we do not give all of our credits away without ensuring that our emissions levels are actually decreasing.

With these two additions, Credit for Early Action will bring great rewards to our country, our economy, and our environment. It will save money, give industry the certainty to plan for the future, and promote energy efficiency and renewable energy, all while reducing our risk from climate change. This legislation sends the right message: companies will be rewarded for doing the right thing—increasing energy efficiency and renewable energy use.

Mr. BIDEN. Mr. President, I am happy to join my colleagues in introducing this important legislation. In particular, I want to thank Senator CHAFEE for his foresight and leadership on this most difficult issue. The science, politics, and economics of climate change all present major issues, and only someone as dedicated and tenacious as Senator CHAFEE could provide the leadership to get us to this point today. My good friend, JOE LIEBERMAN, who has been another leader in the Senate on this tough issue, and CONNIE MACK, deserve our thanks for bringing us together around this first step in the long path toward managing the problem of climate change.

The science of climate change is sufficiently advanced that we know we face a threat to our health and economy; but we are only beginning to come to grips with how we can manage that threat most effectively, and—this is the key—most efficiently. Climate change presents us with a classic problem in public policy—it is a long-term threat, not completely understood, to the widest possible public. And it is an issue whose resolution will require taking steps now with real costs to private individuals and businesses, costs that have a payoff that may only be fully apparent a generation or more in the future.

Mr. President, we have learned a lot in the years that we have been making federal environmental policy here in the United States. We have much more to learn, but we have made real advances since the early days, when we did not always find the solutions that got us the most environmental quality for the buck. The bill we are introducing today reflects one important lesson: businesses can be a creative and responsible part of the solution to environmental problems. In fact, it is fair to say that we would not be here today if it were not for the leadership of groups like the International Climate Change Partnership and the Pew Center on Global Climate Change, both of which have provided a forum for responsible businesses to reach consensus on this issue. Significantly, it was a leading environmental group, the Environmental Defense Fund, that has provided indispensible technical expertise to turn good intentions into the bill we have here today.

Drawing on our experience with tradable sulphur dioxide credits, this bill looks to the day when we have reached the kind of agreement—whether based on our evolving commitments under the United Nations Framework Convention on Climate Change or some other authority—that establishes an emissions credit trading regime for greenhouse gases. The best science—and political reality—tells us that current rates of greenhouse gas emissions are likely to result not only in measurable change in global temperatures, but also in a public demand to do something about it. That in turn will change the cost of doing business as usual for the industries that are major sources of those gases.

But right now, if responsible firms—like DuPont and General Motors, if I can mention just two that operate in Delaware—want to do something to reduce greenhouse gas emissions, they not only get no credit in any future trading system—they actually lose out to firms that decide to delay reductions until such a system is in place. Those who procrastinate, under current law, not only avoid the cost today of cleaning up their emissions, but they would be in a position to receive credits for the kinds of cheaper, easier steps that more responsible companies have already taken. This is certainly not the way to encourage actions now that help air quality in the short term. And every action we take now, by reducing the long-term concentrations of greenhouse gases that would otherwise occur, lowers the overall economic impact of complying with any future climate change policy.

One way out of this problem, Mr. President, is the bill we are introducing today—to assure firms who act responsibly today that their investments in a better future for all of us will be eligible for credit. At the same time, we will thereby raise the cost of delay.

As with so much in the issue of climate change, this bill is a work in progress. Different kinds of firms, with different products, processes, and histories, face significantly different problems in complying with the demands of an early credit system. We must be sure that we provide the flexibility to encourage the widest variety of reductions. And while we want to encourage the greatest reductions as soon as possible, we must be sure that we have the best information—and credible verification—on the effects of various kinds of early action. Without accurate verification and reporting, we cheapen the value of actions taken by the most responsible firms.

This bill marks a real change in our approach to climate change: we have moved beyond the days of heated, irreconcilable arguments between those who see climate change as a real threat and those who don't. Now, cooler heads can discuss the best way to face the future that we are building for our children.

Mr. BAUCUS. Mr. President, I am pleased to be an original cosponsor of this important legislation.

This bill is a good beginning for a discussion in the Senate on how we can begin to develop constructive solutions to the problem of global climate change.

Climate change is real. Over the last 130 years, since the beginning of the Industrial Revolution, global average surface temperatures have increased by one degree. Scientists project that this trend will continue and most of them

believe the trend is due to increases in carbon dioxide and other greenhouse gas emissions from human activity. The temperature increase may not sound like much, but the consequences of even such a small global change could be enormous. This warming trend could have many effects, including even more unpredictable weather patterns, and major shifts in agricultural soils and productivity and wildlife habitat. To me, that drives home the need to deal with the problem.

As I have mentioned to some of my colleagues, there is a vivid example of the warming in my home state of Montana. The Grinnell Glacier in Glacier National Park has retreated over 3,100 feet over the past century. If this continues, Park Service scientists predict this 10,000 year old glacier will be entirely gone within 30 years. This glacier is a symbol and treasure to Montanans and its disappearance would be a hard thing to explain to our children and their children.

This and other potential consequences of climate change are serious enough to warrant some action to reduce the threat it poses. The bill we are introducing today will hopefully be an incentive for people to take steps toward reducing the threat. This bill, the Credit for Voluntary Early Action Act, would allow those who voluntarily choose to reduce emissions of greenhouse gases or to ''sequester'' them (meaning to keep them out of the atmosphere and in the soil or locked up in trees or plants) to get credit for those efforts. At some point in the near future, these credits are expected to have monetary value and could be sold in a domestic or global trading system.

As my cosponsors acknowledge, this is not a perfect bill, but a complicated work in progress. As the Senate considers this matter, I am particularly interested in seeing how agriculture and forestry might benefit by participating in a credit system. These credits could be a financial reward for the good stewardship already taking place on America's farmland. Agriculture needs every opportunity to pursue markets, even if we're talking about unconventional products like carbon credits, to help with the bottom line.

We already know that crop residue management and conservation tillage vastly improve carbon storage in soils and have side benefits, such as reducing erosion. Soils have an immense potential for locking up carbon so that it enters the atmosphere more gradually. Returning highly erodible cropland to perennial grasses could prove to be similarly effective. Many of these practices are already an important part of precision agriculture, so would be obvious low-cost ways for farmers and ranchers to earn credits. It is important that the rules of any trading system be written right, so they can work for agriculture. We can't let our international competitors, like Canada or Australia, be the only ones writing the rules in this developing market.

Besides rewarding those who are willing to take early actions and move beyond normal business practices to address climate change, let's start to think outside the box about what else we can do. The U.S. has the most advanced environmental technology sector in the world. From new uses for agricultural waste and products to state-of-the-art pollution controls, we are leaders in improving efficiency and reducing waste. We need to jump start our public and private research and development structure so that it really focuses on new cost-effective products and systems that produce less greenhouse gas to meet a global demand.

The Administration's Climate Change Technology Initiative is a reasonable first step. But, so far, Congress has approached this issue with a business as usual attitude. It's time to get serious and creative about developing more advanced technologies. We should be reviewing all the tools at our disposal, from research and development programs to taxes.

We need to make this investment in our environmental future for the same reasons that we make investments in our economic future. People prepare for retirement because they want to reduce risks and reduce the cost of responding to future problems. For similar reasons, we need to make prudent investments like providing credit for early action, to reduce risks and reduce the cost of responding to future climate change problems. The more time we let go by, and the longer we let greenhouse gas concentrations rise unchecked, the more expensive the future's repair bills could be.

There is still a long way to go with any climate change treaty. There must be real participation by the developing countries, like China, India, Brazil, etc. Carbon trading rules and the role of agriculture in sequestering carbon must be more clearly defined. In the meantime, however, the bill we're introducing will allow us to see what works and to get a leg up on the rest of the world.

Mr. President, this bill starts an important dialogue about our country's contribution to world greenhouse gas concentrations. Make no mistake, there is still a lot of work ahead for all of us to make this bill a reality. But this country cannot afford to play the part of the ostrich with its head in the sand. We must seriously engage this matter. We owe it to our children.

Ms. SNOWE. Mr. President, I rise today to applaud the efforts of my colleague Senator CHAFEE for the Credit for Voluntary Early Action Act he has introduced that will encourage the reduction of greenhouse gases into the atmosphere. The concept of this bill is a creative step toward awarding those industries who take early actions to reduce their overall emissions of greenhouse gases, particularly carbon dioxide, which are thought to be causing changes in climate around the globe.

The bill would set up a domestic program that gives companies certain credits for the voluntary actions they take for reducing the amount of greenhouse gases they emit into the air. These credits could then be used in meeting future reductions, or could be sold to other companies to help with their own reductions. Strong incentives would also be provided for those companies developing innovative technologies that will help reduce the buildup of atmospheric greenhouse gases.

The Chafee bill clearly puts us at the starting line in the 106th Congress for addressing the continuous domestic buildup of greenhouse gases. I do feel the bill needs to take a further step in the race to make our planet more environmentally and economically friendly, however. We need to establish domestic credits for carbon sequestration that will help reduce the amount of carbon in the atmosphere, and thereby help to address the complex issue of climate change. I plan to continue to work with Senator CHAFEE to take that next step.

Maine is one of the country's most heavily forested states, with much of its land devoted to forests, and so has much to offer towards the reduction of carbon in our atmosphere. The State's forestlands have been a large key to our quality of life and economic prosperity. These forests absorb and store carbon from the atmosphere, allowing the significant sequestration of carbon, serving as carbon ''sinks''.

Because of continuous improvements made in forest management practices and through extensive tree replanting programs, forests all over the country continue to sequester significant amounts of carbon. Through active forest management and reforestation, through both natural and artificial regeneration, the private forests, both industrial and non-industrial, are helping to decrease carbon dioxide emissions that are occurring both from natural processes and human activities into the atmosphere.

The addition of credits for greenhouse gas reductions for forestry-related carbon sequestration activities should be a part of the voluntary credits system the bill proposes so as to allow the owners of the forests of today—and tomorrow—to voluntarily participate and receive credits for carbon sequestration. This should not be difficult to do since the U.S. Forest Service already follows a carbon stock methodology that is used by the Environmental Protection Agency to document the nation's carbon dioxide emissions and inventories for carbon storage.

I realize that the Intergovernmental Panel on Climate Change (IPCC) has been tasked to prepare a special report that is expected out next year that may help define appropriate definitions and accounting rules for carbon sinks. In the meantime, I do not believe it will be helpful to leave the issue of carbon sequestration unacknowledged in any domestic program—and to cause

losers along with winners in the process. We are all in a race against an uncertainty that no one can afford to lose.

As I mentioned, I believe that the goals of the Chafee bill are admirable and will allow for a dialogue to begin, hopefully on the science as opposed to the politics, for what can be done domestically within the global climate change debate. I hope to be included as a part of that dialogue and urge that those who speak to carbon sequestration credits be heard through the public hearings process or by amending the bill in a way that will not only encourage sustainable forest management, but also stimulate incentives for maintaining healthy forests. The discussion on the importance of carbon sequestration within our terrestrial ecosystems—long a large component of the climate change debate—must continue.

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By Mr. DEWINE:

S. 548. A bill to establish the Fallen Timbers Battlefield and Fort Miamis National Historical Site in the State of Ohio; to the Committee on Energy and Natural Resources.

FALLEN TIMBERS ACT

Mr. DEWINE. Mr. President, today I am introducing legislation that would designate the Fallen Timbers Battlefield and Fort Miamis as National Historic Sites.

Mr. President, the Battle of Fallen Timbers is an early and important chapter in the settlement of what was then known as the Northwest Territory. This important battle occurred between the U.S. army, led by General ''Mad'' Anthony Wayne, and a confederation of Native American tribes led by Tecumseh, in 1794. More than 1,000 Indians ambushed General Wayne's troops as they progressed along the Maumee River. Despite an unorganized defense, U.S. troops forced the tribes to retreat. The Treaty of Greenville was signed in 1795, and it granted the city of Detroit to the United States as well as secured the safe passage along the Ohio River for frontier settlers.

The Battle of Fallen Timbers began Ohio's rich history in the formation of our country. And the citizens of Northwest Ohio are committed to preserving that heritage. The National Register of Historic Places already lists Fort Miamis. In 1959, the Battle of Fallen Timbers was included in the National Survey of Historic Sites and Buildings and was designated as a National Historic Landmark in 1960. In 1998, the National Park Service completed a Special Resource Study examining the proposed designation and suitability of the site and determined that the Battle of Fallen Timbers Battlefield site meets the criteria for affiliated area status. So it remains only for Congress to officially recognize the national significance of these sites.

My legislation would recognize and preserve the 185-acre Fallen Timbers Battlefield site. It would uphold the heritage of U.S. military history and Native American culture during the period of 1794 through 1813. It would authorize the Secretary of the Interior to provide assistance in the preparation and implementation of the Plan to the State, its political subdivisions, or specified nonprofit organization.

Mr. President, the people of Northwest Ohio are committed to preserving the heritage of their community, the State of Ohio, and the United States. Therefore, the Fallen Timbers Battlefield and Fort Miamis sites deserve national historical recognition for the history that they represent. For these reasons, I am proposing this important piece of legislation today.

I ask unanimous consent that the text of this legislation be printed in the RECORD.

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

S. 548

*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 ''Fallen Timbers Battlefield and Fort Miamis National Historical Site Act''.

**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—Congress finds that—

(1) the 185-acre Fallen Timbers Battlefield is the site of the 1794 battle between General Anthony Wayne and a confederation of Native American tribes led by Little Turtle and Blue Jacket;

(2) Fort Miamis was occupied by General Wayne's legion from 1796 to 1798;

(3) in the spring of 1813, British troops, led by General Henry Proctor, landed at Fort Miamis and attacked the fort twice, without success;

(4) Fort Miamis and the Fallen Timbers Battlefield are in Lucas County, Ohio, in the city of Maumee;

(5) the 9-acre Fallen Timbers Battlefield Monument is listed as a national historic landmark;

(6) Fort Miamis is listed in the National Register of Historic Places as a historic site;

(7) in 1959, the Fallen Timbers Battlefield was included in the National Survey of Historic Sites and Buildings as 1 of 22 sites representing the ''Advance of the Frontier, 1763–1830''; and

(8) in 1960, the Fallen Timbers Battlefield was designated as a national historic landmark.

(b) PURPOSES.—The purposes of this Act are—

(1) to recognize and preserve the 185-acre Fallen Timbers Battlefield site;

(2) to formalize the linkage of the Fallen Timbers Battlefield and Monument to Fort Miamis;

(3) to preserve and interpret United States military history and Native American culture during the period from 1794 through 1813;

(4) to provide assistance to the State of Ohio, political subdivisions of the State, and nonprofit organizations in the State to implement the stewardship plan and develop programs that will preserve and interpret the historical, cultural, natural, recreational, and scenic resources of the historical site; and

(5) to authorize the Secretary to provide technical assistance to the State of Ohio, political subdivisions of the State, and nonprofit organizations in the State (including the Ohio Historical Society, the city of Maumee, the Maumee Valley Heritage Corridor, the Fallen Timbers Battlefield Preservation Commission, Heidelberg College, the city of Toledo, and the Metropark District of the Toledo Area) to implement the stewardship plan.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) HISTORICAL SITE.—The term ''historical site'' means the Fallen Timbers Battlefield and Monument and Fort Miamis National Historical Site established by section 4.

(2) MANAGEMENT ENTITY.—The term ''management entity'' means the Ohio Historical Society, the city of Maumee, the Maumee Valley Heritage Corridor, the Fallen Timbers Battlefield Preservation Commission, Heidelberg College, the city of Toledo, the Metropark District of the Toledo Area, and any other entity designated by the Governor of Ohio.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(4) STEWARDSHIP PLAN.—The term ''stewardship plan'' means the management plan developed by the management entity.

(5) TECHNICAL ASSISTANCE.—The term ''technical assistance'' means any guidance, advice, or other aid, other than financial assistance, provided by the Secretary.

**SEC. 4. FALLEN TIMBERS BATTLEFIELD AND FORT MIAMIS NATIONAL HISTORICAL SITE.**

(a) ESTABLISHMENT.—There is established in the State of Ohio the Fallen Timbers Battlefield and Fort Miamis National Historical Site.

(b) BOUNDARIES.—

(1) IN GENERAL.—The historical site shall be composed of—

(A) the Fallen Timbers 185-acre battlefield site described in paragraph (3);

(B) the 9-acre battlefield monument; and

(C) the Fort Miamis site.

(2) MAP.—The Secretary shall prepare a map of the historical site, which shall be on file and available for public inspection in the office of the Director of the National Park Service.

(3) FALLEN TIMBERS SITE.—For purposes of paragraph (1), the Fallen Timbers site generally comprises a 185-acre parcel northeast of U.S. 24, west of U.S. 23/I–475, south of the Norfolk and Western Railroad line, and east of Jerome Road.

(4) CONSENT OF LOCAL PROPERTY OWNERS.—No privately owned property or property owned by a municipality shall be included within the boundaries of the historical site unless the owner of the property consents to the inclusion.

**SEC. 5. WITHDRAWAL OF DESIGNATION.**

(a) IN GENERAL.—The historical site shall remain a national historical site unless—

(1) the Secretary determines that—

(A) the use, condition, or development of the historical site is incompatible with the purposes of this Act; or

(B) the management entity of the historical site has not made reasonable and appropriate progress in preparing or implementing the stewardship plan for the historical site; and

(2) after making a determination under paragraph (1), the Secretary submits to Congress notification that the historical site designation should be withdrawn.

(b) PUBLIC HEARING.—Before the Secretary makes a determination under subsection (a)(1), the Secretary shall hold a public hearing in the historical site.

(c) TIME OF WITHDRAWAL OF DESIGNATION.—

(1) DEFINITION OF LEGISLATIVE DAY.—In this subsection, the term ''legislative day'' means any calendar day on which both Houses of Congress are in session.

(2) TIME PERIOD.—The withdrawal of the historical site designation shall become final 90 legislative days after the Secretary submits to Congress notification under subsection (a)(2).

**SEC. 6. DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.**

(a) DUTIES AND AUTHORITIES OF THE SECRETARY.—

(1) TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary may provide technical assistance to prepare and implement the stewardship plan to—

(i) the State of Ohio;

(ii) a political subdivision of the State;

(iii) a nonprofit organization in the State; or

(iv) any other person on a request by the management entity.

(B) PROHIBITION OF CERTAIN REQUIREMENTS.—The Secretary may not, as a condition of the award of technical assistance under this section, require any recipient of the technical assistance to establish or modify land use restrictions.

(C) DETERMINATIONS REGARDING ASSISTANCE.—

(i) DECISION BY SECRETARY.—The Secretary shall decide if technical assistance should be awarded and the amount, if any, of the assistance.

(ii) STANDARD.—A decision under clause (i) shall be based on the degree to which the historical site effectively fulfills the objectives contained in the stewardship plan and achieves the purposes of this Act.

(2) DEVELOPMENT OF STEWARDSHIP PLAN.—The Secretary may assist in development of the stewardship plan.

(3) PROVISION OF INFORMATION.—In cooperation with the heads of other Federal agencies, the Secretary shall provide the public with information regarding the location and character of the historical site.

(b) DUTIES OF OTHER FEDERAL AGENCIES.—The head of any Federal agency conducting an activity directly affecting the historical site shall—

(1) consider the potential effect of the activity on the stewardship plan; and

(2) consult with the management entity of the historical site with respect to the activity to minimize the adverse effects of the activity on the historical site.

**SEC. 7. NO EFFECT ON LAND USE REGULATION AND PRIVATE PROPERTY.**

(a) NO EFFECT ON AUTHORITY OF GOVERNMENTS.—Nothing in this Act modifies, enlarges, or diminishes the authority of any Federal, State, or local government to regulate the use of land by law (including regulations).

(b) NO ZONING OR LAND USE POWERS.—Nothing in this Act grants any power of zoning or land use control to the management entity of the historical site.

(c) NO EFFECT ON LOCAL AUTHORITY OR PRIVATE PROPERTY.—Nothing in this Act affects or authorizes the management entity to interfere with—

(1) the rights of any person with respect to private property; or

(2) any local zoning ordinance or land use plan of the State of Ohio or a political subdivision of the State.

**SEC. 8. FISHING, TRAPPING, AND HUNTING.**

(a) NO DIMINISHMENT OF STATE AUTHORITY.—The establishment of the historical site shall not diminish the authority of the State to manage fish and wildlife, including the regulation of fishing, hunting, and trapping in the historical site.

(b) NO CONDITIONING OF APPROVAL AND ASSISTANCE.—The Secretary and the head of any other Federal agency may not make a limitation on fishing, hunting, or trapping—

(1) a condition of the determination of eligibility for assistance under this Act; or

(2) a condition for the receipt, in connection with the historical site, of any other form of assistance from the Secretary or the agency, respectively.

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By Mrs. FEINSTEIN:

S. 551. A bill to amend the Internal Revenue Code of 1986 to encourage school construction and rehabilitation through the creation of a new class of bond, and for other purposes; to the Committee on Finance.

THE EXPAND AND REBUILD AMERICA'S SCHOOLS ACT OF 1999

Mrs. FEINSTEIN. Mr. President, today I am introducing a bill to provide a tax credit for the bond holders of public school construction bonds, totaling $1.4 billion each year for two years. To qualify to use the bonds, the bill requires schools to be subject to state academic achievement standards and have an average elementary student-teacher ratio of 28 to one.

Bonds could be used if school districts meet one of three criteria:

(1) The school is over 30 years old or the bonds will be used to install advanced or improved, telecommunications equipment;

(2) Student growth rate will be at least 10 percent over the next 5 years; or

(3) The construction or rehabilitation is needed to meet natural disaster requirements.

The bill is the companion of H. R. 415, introduced by my California colleague, Representative LORETTA SANCHEZ.

The bonding authority can leverage additional funds and it offers a new financing tool for our schools that can complement existing funding sources in an effort to address the need to repair and upgrade existing schools. It offers assistance especially for small and low-income school districts because low-income communities with the most serious needs may have to pay the highest interest rates to issue bonds, if they can be issued at all. Because the bonds provide a tax credit to the bond holder, the bond is supported by the federal treasury, not the local school district.

The nation's schools are crumbling. We have many old schools. One third of the nation's 110,000 schools were built before World War II and only about one of 10 schools was built since 1980. More than one-third of the nation's existing schools are currently over 50 or more years old and need to be repaired or replaced. The General Accounting Office has said that nationally we need over $112 billion for construction and repairs at 80,000 schools.

My state needs $26 billion from 1998 to 2008 to modernize and repair existing schools and $8 billion to build schools to meet enrollment growth. In November 1998, California voters approved state bonds providing $6.5 billion for school construction.

In addition to deteriorating schools, some schools are bursting at the seams because of the huge numbers of students and we can expect more pressure as enrollments rise. The ''Baby Boom Echo'' report by the U.S. Department of Education in September 1998, found that between 1988 and 2008, public high school enrollment will jump by 26 percent and elementary enrollment will go up by 17 percent. In 17 states, there will be a 15 percent increase in the number of public high school graduates. This school year, school enrollment is at a record level, 52.7 million students.

My state faces severe challenges:

1. High Enrollment: California today has a K–12 public school enrollment at 5.6 million students which represents more students than 36 states have in total population, all ages. We have a lot of students.

Between 1998 and 2008, when the national enrollment will grow by 4 percent, in California, it will escalate by 15 percent, the largest increase in the nation. California's high school enrollment is projected to increase by 35.3 percent by 2007. Each year between 160,000 and 190,000 new students enter California classrooms. Approximately 920,000 students are expected to be admitted to schools in the state during that period, boosting total enrollment from 5.6 million to 6.8 million.

California needs to build 7 new classrooms a day at 25 students per class between now and 2001 just to keep up with the growth in student population. By 2007, California will need 22,000 new classrooms. California needs to add about 327 schools over the next three years just to keep pace with the projected growth.

2. Crowding: Our students are crammed into every available space and in temporary buildings. Today, 20 percent of our students are in portable classrooms. There are 63,000 relocatable classrooms in use in 1998.

3. Old Schools: Sixty percent of our schools are over 40 years old. 87 percent of the public schools need to upgrade and repair buildings, according to the General Accounting Office. Ron Ottinger, president of the San Diego Board of Education has said: ''Roofs are leaking, pipes are bursting and many classrooms cannot accommodate today's computer technology.''

4. High Costs: The cost of building a high school in California is almost twice the national cost. The U.S. average is $15 million; in California, it is $27 million. In California, our costs are higher than other states in part because our schools must be built to withstand earthquakes, floods, El Nino and a myriad of other natural disasters. California's state earthquake building standards add 3 to 4 percent to construction costs. Here's what it costs to build schools in California: an elementary school (K–6), $5.2 million; a middle school (7–8), $12.0 million; a high school (9–12), $27.0 million.

5. Class Size Reduction: Our state, commendably, is reducing class sizes in grades K through 3, but this means we need more classrooms.

Here are some examples in California of our construction needs:

Los Angeles Unified School District got 16,000 additional students this year and expects an 11 percent enrollment growth by 2006. Because of overcrowding, they are bussing 13,000 students away from their home neighborhoods. For example, Cahuenga Elementary School has 1,500 students on 40 buses, with some children traveling on the bus two hours every day. Not only is this essentially wasted time for students and an expense of school districts, it means that it is very difficult for parents to get to their children's schools for school events and teacher conferences.

Half of LA Unified's students attend school on a multi-track, year-round schedule because of overcrowding. This means their schools cannot offer remedial summer school programs for students that need extra help.

Olive View School in Corning Elementary School District, with over 70 percent of students in portable classrooms, needs to replace these aging and inadequate facilities.

Fresno Unified School District has a backlog of older schools needing repairs. For example, Del Mar Elementary School has a defective roof. Chuck McAlexander, Administrator, wrote me: ''The leakage at Del Mar is so bad that the plaster ceiling of the corridor was falling and has been temporarily shored with plywood.''

San Bernardino City Unified School District, which is growing at a rate of over 1,000 students per year, has 25 schools over 30 years old, buildings needing improved classroom lighting, carpeting, electrical systems, and plumbing. Several schools need air condition so they can operate year-round to accommodate burgeoning enrollment.

Berkeley High School was built in 1901 and damaged by the 1989 Loma Prieta earthquake. They are still trying to raise funds to replace the building.

Polytechnic High School in Long Beach is over 100 years old and houses 4,200 students. The last repairs were done in 1933. Long Beach officials wrote:

''The heating system is in desperate need of replacement with continual breakdowns and the constant need for maintenance. The roofs have exceeded their average life expectancy by 20 years. Flooring and equipment have been damaged several times during the rainy season. There have been instances where classrooms had to be evacuated due to health and safety issues. The electrical systems that were designed for 2,000 students can no longer support the needs of over 4,000 students, especially after taking into account the need for increased technology. The antiquated plumbing system is in desperate need of repair. . . . The entire support infrastructure, water, sewer and drainage facilities are in dire need of replacement as the age of these systems have well exceeded their lifespan.''

The elementary school in the Borrego Unified School District has a deteriorating water well, with silt and inadequate pressure. The middle-high school has an intercom and fire alarm system inoperable because of a collapsed underground cable.

In San Diego, 49 schools need roof repairs or replacement. Ninety-one elementary schools need new fire alarms and security systems. Mead Elementary School, which is 45 years old, has clogged and rusted plumbing beyond repair, with water pressure so weak that it amounts to a drip at times.

Ethel Phillips Elementary School, age 48, in the Sacramento City Unified School District, has dry rot in the classrooms because of water damaged and needs foundation repairs and new painting, to preserve the building.

Loleta Union School District, which is in an area of seismic activity, needs an overhaul of the wiring to support modern technology.

San Pasqual Union School District's only water well is contaminated and the 30-year-old roof needs replacement.

At the San Miguel Elementary School in San Francisco, the windows are rotting and the roof is leaking so badly that they must set out buckets every time it rains.

And on and on.

School overcrowding places a heavy burden on teachers and students. Studies show that the test scores of students in schools in poor condition can fall as much as 11 percentage points behind scores of students in good buildings. Other studies show improvements of up to 20 percent in test scores when students move to a new facility.

The point is that improving facilities improves teaching and learning. I hope that this bill will offer some help and most importantly provide new learning opportunities for our students. Mr. President, I ask unanimous consent that a summary of this be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows.

SUMMARY OF FEINSTEIN-SANCHEZ SCHOOL CONSTRUCTION BILL

TAX CREDITS

Provides $1.4 billion in tax credits in FY 2000 and $1.4 billion in tax credits in FY 2001 to any bondholder for public elementary and secondary school construction and rehabilitation bonds. Similar to the Qualified Zone Academy Bonds created by the Taxpayer Relief Act of 1997, bondholders would receive a tax credit, rather than interest.

ELIGIBLE SCHOOLS

To qualify to use the bonds, students in the schools must be subject to state academic achievement standards and tests;

schools must have a program to alleviate overcrowding; the school district must have an average elementary student-teacher ratio of 28 to one at the time of issuance of the bonds; and meet one of the following three criteria:

1. The school to be repaired is over 30 years old or the bonds are used to provide advanced or improved telecommunications facilities.

2. The student growth rate in the school district will be at least 10 percent over the next 5 years.

3. School construction or rehabilitation is needed to meet natural disaster requirements.

## ADDITIONAL COSPONSORS

S. 14

At the request of Mr. COVERDELL, the names of the Senator from Nebraska (Mr. HAGEL) and the Senator from Minnesota (Mr. GRAMS) were added as cosponsors of S. 14, a bill to amend the Internal Revenue Code of 1986 to expand the use of education individual retirement accounts, and for other purposes.

S. 25

At the request of Ms. LANDRIEU, the names of the Senator from Kentucky (Mr. BUNNING) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 25, a bill to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes.

S. 86

At the request of Mr. BUNNING, the name of the Senator from Tennessee (Mr. THOMPSON) was added as a cosponsor of S. 86, a bill to amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to work, to extend Medicare coverage for such beneficiaries, and to make additional miscellaneous amendments relating to Social Security.

S. 92

At the request of Mr. DOMENICI, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 92, a bill to provide for biennial budget process and a biennial appropriations process and to enhance oversight and the performance of the Federal Government.

S. 98

At the request of Mr. MCCAIN, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 98, a bill to authorize appropriations for the Surface Transportation Board for fiscal years 1999, 2000, 2001, and 2002, and for other purposes.

S. 135

At the request of Mr. DURBIN, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 135, a bill to amend the Internal Revenue Code of 1986 to increase the deduction for the health insurance costs of self-employed individuals, and for other purposes.

S. 223

At the request of Mr. LAUTENBERG, the name of the Senator from Hawaii

(Mr. AKAKA) was added as a cosponsor of S. 223, a bill to help communities moderize public school facilities, and for other purposes.

S. 242

At the request of Mr. JOHNSON, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 242, a bill to amend the Federal Meat Inspection Act to require the labeling of imported meat and meat food products.

S. 280

At the request of Mr. FITZGERALD, his name was added as a cosponsor of S. 280, a bill to provide for education flexibility partnerships.

S. 296

At the request of Mr. FRIST, the names of the Senator from Michigan (Mr. LEVIN) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 296, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 331

At the request of Mr. JEFFORDS, the names of the Senator from Wisconsin (Mr. KOHL), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Indiana (Mr. BAYH) and the Senator from Tennessee (Mr. FRIST) were added as cosponsors of S. 331, a bill to amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes.

S. 335

At the request of Ms. COLLINS, the names of the Senator from Vermont (Mr. JEFFORDS), the Senator from North Carolina (Mr. EDWARDS), the Senator from Delaware (Mr. BIDEN) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. 335, a bill to amend chapter 30 of title 39, United States Code, to provide for the nonmailability of certain deceptive matter relating to games of chance, administrative procedures, orders, and civil penalties relating to such matter, and for other purposes.

S. 368

At the request of Mr. COCHRAN, the name of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 368, a bill to authorize the minting and issuance of a commemorative coin in honor of the founding of Biloxi, Mississippi.

S. 389

At the request of Mr. MCCAIN, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 389, a bill to amend title 10, United States Code, to improve and transfer the jurisdiction over the troops-to-teachers program, and for other purposes.

S. 395

At the request of Mr. ROCKEFELLER, the names of the Senator from Alabama (Mr. SHELBY) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 395, a bill to ensure that the volume of steel imports does not exceed the average monthly volume of such imports during the 36-month period preceeding July 1997.

S. 398

At the request of Mr. CAMPBELL, the names of the Senator from Mississippi (Mr. COCHRAN) and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of S. 398, a bill to require the Secretary of the Treasury to mint coins in commemoration of Native American history and culture.

S. 445

At the request of Mr. JEFFORDS, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 445, a bill to amend title XVIII of the Social Security Act to require the Secretary of Veterans Affairs and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Veterans Affairs with medicare reimbursement for medicare healthcare services provided to certain medicare-eligible veterans.

S. 459

At the request of Mr. BREAUX, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 459, a bill to amend the Internal Revenue Code of 1986 to increase the State ceiling on private activity bonds.

S. 512

At the request of Mr. GORTON, the names of the Senator from California (Mrs. BOXER) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. 512, a bill to amend the Public Health Service Act to provide for the expansion, intensification, and coordination of the activities of the Department of Health and Human Services with respect to research on autism.

S. 528

At the request of Mr. SPECTER, the names of the Senator from South Carolina (Mr. HOLLINGS) and the Senator from West Virginia (Mr. BYRD) were added as cosponsors of S. 528, a bill to provide for a private right of action in the case of injury from the importation of certain dumped and subsidized merchandise.

SENATE CONCURRENT RESOLUTION 5

At the request of Mr. BROWNBACK, the names of the Senator from Hawaii (Mr. AKAKA) and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of Senate Concurrent Resolution 5, a concurrent resolution expressing congressional opposition to the unilateral declaration of a Palestinian state and urging the President to assert clearly United States opposition to such a unilateral declaration of statehood.

SENATE RESOLUTION 19

At the request of Mr. SPECTER, the names of the Senator from Ohio (Mr. DEWINE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Massachusetts (Mr. KERRY), the Senator from Maine (Ms. COLLINS) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of Senate Resolution 19, a resolution to express the sense of the Senate that the Federal investment in biomedical research should be increased by $2,000,000,000 in fiscal year 2000.

SENATE RESOLUTION 47

At the request of Mr. MURKOWSKI, the names of the Senator from Mississippi (Mr. COCHRAN) and the Senator from Maine (Ms. SNOWE) were added as cosponsors of Senate Resolution 47, a resolution designating the week of March 21 through March 27, 1999, as ''National Inhalants and Poisons Awareness Week.''

SENATE RESOLUTION 53

At the request of Mr. HUTCHINSON, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of Senate Resolution 53, a resolution to designate March 24, 1999, as ''National School Violence Victims' Memorial Day.''

## SENATE CONCURRENT RESOLUTION 14—CONGRATULATING THE STATE OF QATAR AND ITS CITIZENS FOR THEIR COMMITMENT TO DEMOCRATIC IDEALS AND WOMEN'S SUFFRAGE

Mr. BROWNBACK (for himself, Mr. WELLSTONE, Mr. SMITH of Oregon, Mr. THOMAS, Mr. TORRICELLI, and Mr. GRAMS) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 14

Whereas His Highness, Sheikh Hamad bin Khalifa al-Thani, the Emir of Qatar, issued a decree creating a central municipal council, the first of its kind in Qatar;

Whereas on March 8, 1999, the people of Qatar will participate in direct elections for a central municipal council;

Whereas the central municipal council has been structured to have members from 29 election districts serving 4-year terms;

Whereas Qatari women have been granted the right to participate in this historic first municipal election, both as candidates and voters;

Whereas this election demonstrates the strength and diversity of Qatar's commitment to democratic expression;

Whereas the United States highly values democracy and women's rights;

Whereas March 8 is recognized as International Women's Day, and is an occasion to assess the progress of the advancement of women and girls throughout the world; and

Whereas this historic event of democratic elections and women's suffrage in Qatar should be honored: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That the Congress—

(1) commends His Highness, Sheikh Hamad bin Khalifa al-Thani, the Emir of Qatar, for his leadership and commitment to suffrage and the principles of democracy;

(2) congratulates the citizens of Qatar as they celebrate the historic election for a central municipal council; and

(3) reaffirms that the United States is strongly committed to encouraging the suffrage of women, democratic ideals, and

peaceful development throughout the Middle East.

Mr. BROWNBACK. Mr. President, I am pleased to submit a concurrent resolution congratulating the State of Qatar and its citizens for their commitment to democratic ideals and women's suffrage on the occasion of Qatar's historic elections of a central municipal council on March 8, 1999.

By holding these elections, Qatar becomes only the second Gulf Arab state to have an elected house, and the first to allow women the vote and the right to take part in the municipal polls. These elections are a very promising step towards the establishment of democracy.

As a country which stands firmly committed to democratic ideals, including the suffrage of women, the United States should applaud this bold move by His Highness, Sheikh Hamad Bin Khalifa al-Thani, the Emir of Qatar for issuing the decree to create the central municipal council and for making this major step towards democracy possible.

This resolution commends the Emir of Qatar for his leadership and commitment to suffrage and the principles of democracy; congratulates the citizens of Qatar as they celebrate the historic election for a central municipal council; and reaffirms that the United States is strongly committed to encouraging the suffrage of women, democratic ideals, and peaceful development throughout the Middle East.

I urge my colleagues to support this initiatives.

## SENATE CONCURRENT RESOLUTION 15—HONORING MORRIS KING UDALL, FORMER UNITED STATES REPRESENTATIVE FROM ARIZONA, AND EXTENDING THE CONDOLENCES OF THE CONGRESS ON HIS DEATH

Mr. MCCAIN (for himself, Mr. KENNEDY, Mr. KYL, Mr. FEINGOLD, Mr. HAGEL, Mr. LEAHY, Mr. SMITH of Oregon, Mr. LAUTENBERG, Mr. CAMPBELL, Mr. INOUYE, Ms. SNOWE, Mr. LEVIN, Mr. STEVENS, Mr. SARBANES, Mr. SPECTER, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DEWINE, Mr. KOHL, Mr. COCHRAN, Mr. BINGAMAN, Mr. ALLARD, Mrs. BOXER, Mr. BENNETT, Mr. KERRY, Mr. CRAIG, Mr. REID, Mr. WELLSTONE, Mr. MOYNIHAN, Mr. AKAKA, Mr. DASCHLE, Mr. KERRY, Mr. LIEBERMAN, Mr. BAUCUS, Mr. DURBIN, Mr. ROCKEFELLER, Mr. HARKIN, Mr. SCHUMER, Mrs. FEINSTEIN, Mr. WYDEN, Mr. BYRD, Mr. HOLLINGS, Mrs. MURRAY, Mr. TORRICELLI, and Mr. GRAMS) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 15

Whereas Morris King Udall served his Nation and his State of Arizona with honor and distinction in his 30 years as a Member of the United States House of Representatives;

Whereas Morris King Udall became an internationally recognized leader in the field of conservation, personally sponsoring legislation that more than doubled the National Park and National Wildlife Refuge systems, and added thousands of acres to America's National Wilderness Preservation System;

Whereas Morris King Udall was also instrumental in reorganizing the United States Postal Service, in helping enact legislation to restore lands left in the wake of surface mining, enhancing and protecting the civil service, and fighting long and consistently to safeguard the rights and legacies of Native Americans;

Whereas in his lifetime, Morris King Udall became known as a model Member of Congress and was among the most effective and admired legislators of his generation;

Whereas this very decent and good man from Arizona also left us with one of the most precious gifts of all — a special brand of wonderful and endearing humor that was distinctly his;

Whereas Morris King Udall set a standard for all facing adversity as he struggled against the onslaught of Parkinson's disease with the same optimism and humor that were the hallmarks of his life; and

Whereas Morris King Udall in so many ways will continue to stand as a symbol of all that is best about public service, for all that is civil in political discourse, for all that is kind and gentle, and will remain an inspiration to others: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That the Congress—

(1) has learned with profound sorrow of the death of the Honorable Morris King Udall on December 12, 1998, and extends condolences to the Udall family, and especially to his wife Norma;

(2) expresses its profound gratitude to the Honorable Morris King Udall and his family for the service that he rendered to his country; and

(3) recognizes with appreciation and respect the Honorable Morris K. Udall's commitment to and example of bipartisanship and collegial interaction in the legislative process.

**SEC. 2. TRANSMISSION OF ENROLLED RESOLUTION.**

The Secretary of the Senate shall transmit an enrolled copy of this concurrent resolution to the family of the Honorable Morris King Udall.

## SENATE RESOLUTION 57—EXPRESSING THE SENSE OF THE SENATE REGARDING THE HUMAN RIGHTS SITUATION IN CUBA

Mr. GRAHAM (for himself, Mr. MACK, Mr. HELMS, Mr. TORRICELLI, Mr. DEWINE, Mr. ROBB, and Mr. SMITH of New Hampshire) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 57

Whereas the annual meeting of the United Nations Commission on Human Rights in Geneva, Switzerland, provides a forum for discussing human rights and expressing international support for improved human rights performance;

Whereas, according to the United States Department of State and international human rights organizations, the Government of Cuba continues to commit widespread and well documented human rights abuses in Cuba;

Whereas such abuses stem from a complete intolerance of dissent and the totalitarian nature of the regime controlled by Fidel Castro;

Whereas such abuses violate internationally accepted norms of conduct;

Whereas the Government of Cuba routinely restricts worker's rights, including the right to form independent unions, and employs forced labor, including that by children;

Whereas Cuba is bound by the Universal Declaration of Human Rights;

Whereas the Government of Cuba has detained scores of citizens associated with attempts to discuss human rights, advocate for free and fair elections, freedom of the press, and others who petitioned the government to release those arbitrarily arrested;

Whereas the Government of Cuba has recently escalated efforts to extinguish expressions of protest or criticism by passing state measures criminalizing peaceful pro-democratic activities and independent journalism;

Whereas the recent trial of peaceful dissidents Vladimiro Rica, Marta Beatriz Roque, Felix Bonne, and Rene Gomez Manzano, charged with sedition for publishing a proposal for democratic reform, is indicative of the increased efforts by the Government of Cuba to detain citizens and extinguish expressions of support for the accused;

Whereas these efforts underscore that the Government of Cuba has continued relentlessly its longstanding pattern of human rights abuses and demonstrate that it continues to systematically deny universally recognized human rights: Now, therefore, be it

*Resolved,* That it is the sense of the Senate that at the 55th Session of the United Nations Human Rights Commission in Geneva, Switzerland, the United States should make all efforts necessary to pass a resolution, including introducing such a resolution, criticizing Cuba for its human rights abuses in Cuba, and to secure the appointment of a Special Rapporteur for Cuba.

Mr. GRAHAM. Mr. President, last week, the Senate passed a resolution calling for condemnation of the human rights situation in China by the United Nations Human Rights Commission. I will send to the floor shortly a similar resolution condemning the human rights situation in Cuba which, unfortunately, is considerably worse than the situation in China.

This resolution calls on the President to make every effort to pass a resolution at the upcoming meeting of the United Nations Human Rights Commission criticizing Cuba for its abysmal record on human rights. It also calls for the reappointment of a special rapporteur to investigate the human rights situation in Cuba.

Last year, for the first time in many years, no resolution on the human rights situation in Cuba was passed by the United Nations Human Rights Commission. Perhaps this was due to the hopes that were raised, raised as a result of the Pope's visit to Cuba in January of 1998. Unfortunately, there has been a significant worsening of the human rights situation in Cuba over the last year.

Example: The independent group, Human Rights Watch, states:

As 1998 drew to a close, Cuba's stepped up persecutions and harassment of dissidents, along with its refusal to grant amnesty to hundreds of remaining political prisoners or reform its criminal code, marked a disheartening return to heavy-handed repression.

Example: The Cuban Government recently passed a measure known as Law 80 which criminalizes peaceful prodemocratic activities and independent journalism, with penalties, Mr.

President, of up to 20 years of imprisonment.

Example: The State Department, in its recent report on human rights dated February 26, 1999, notes that the Government of Cuba continues to systematically violate the fundamental civil and political rights of its citizens. Human rights advocates and members of independent professional associations, including journalists, economists, doctors and lawyers, are routinely harassed, threatened, arrested, detained, imprisoned and defamed by the Government. All fundamental freedoms are denied to the citizens. In addition, the Cuban Government severely restricts worker rights, including the right to form independent trade unions, and employs forced labor, including child labor.

Example, and the most recent and continuing example of the horrible repression in Cuba, is the trial of four prominent dissidents—Vladimiro Roca, Marta Beatriz Roque, Felix Bonne, and Rene Gomez Manzano. These prominent dissidents are now at trial on charges of sedition. After being detained for over 18 months for the peaceful voicing of their opinions, the trial of these four brave individuals has drawn international condemnation.

To demonstrate the hideous nature of the Castro regime, Marta Beatriz Roque has been ill, believed to be suffering from cancer, but has been denied medical attention during her detention.

During the trial, authorities have rounded up scores of other individuals, including journalists and dissidents, and jailed them for the duration of the trial. The trial was conducted in complete secrecy, with photographers prevented from even photographing the streets around the courthouse in which the trial was held.

Mr. President, this is not the type of conduct that we have come to expect in our hemisphere, where Cuba remains the only nondemocratic government. This level of repression and complete disregard for international norms cannot be ignored. The human rights situation in Cuba calls out for action by the United Nations Human Rights Commission.

I am going to ask, Mr. President, to have printed in the RECORD two editorials on this subject. But let me read one from the Washington Post of this week, March 2, 1999. This editorial says, in part:

Many of the counties engaged in these contacts with Cuba do so on the basis that by their policy of ''constructive engagement'' they are opening up the regime more effectively to democratic and free-market currents than is the United States by its harder-line policy.

The trial of the four provides a good test of this proposition. The four are in the vanguard of Cuba's small nonviolent political opposition. Acquittal would indicate that in this case anyway the authorities are listening to the international appeals for greater political freedom. But if the four are convicted and sentenced, it will show that the regime won't permit any opposition at all. What then will the international crowd have to say about the society-transforming power of their investments?

Mr. President, last month we voted unanimously to support a similar resolution on human rights in Cuba. Unfortunately, as I indicated, the situation in Cuba is worse than in China. The situation in Cuba deserves the full effort of our Government to assure that this situation is not ignored by the international community.

Mr. President, I send to the desk a resolution which is cosponsored by Senators MACK, HELMS, TORRICELLI, and DEWINE. I also ask unanimous consent, to have printed in the RECORD the editorial I referenced from the Washington Post of March 2, and an editorial from the Ft. Lauderdale Sun-Sentinel of March 2.

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

[From the Washington Post, Mar. 2, 1999]

THE HAVANA FOUR

Vladimiro Roca, Martha Beatriz Roque, Felix Bonne, Rene Gomez: Note those names. They are dissidents in Communist-ruled Cuba who went on trial in Havana yesterday. These brave people were jailed a year and a half ago for holding news conferences for foreign journalists and diplomats, urging voters to boycott Cuba's one-party elections, warning foreigners that their investments would contribute to Cuban suffering and criticizing President Fidel Castro's grip on power. For these 'offenses' the four face prison sentences of five or six years.

Castro Cuba has typically Communist notions of justice. By official doctrine, there are no political prisoners, only common criminals. President Castro rejects the designation of the four, in the international appeals for their freedom, as 'prisoners of conscience.' Their trial is closed to the foreign press. Some of their colleagues were reportedly arrested to keep them from demonstrating during the trial.

Fidel Castro is now making an energetic effort to recruit foreign businessmen to help him compensate for the trade and investment lost by the continuing American embargo and by withdrawal of the old Soviet subsidies. He is scoring some successes: British Airways, for instance, says it is opening a Havana service. Many of the countries engaged in these contacts with Cuba do so on the basis that by their policy of 'constructive engagement' they are opening up the regime more effectively to democratic and free-market currents than is the United States by its harder-line policy.

The trial of the four provides a good test of this proposition. The four are in the vanguard of Cuba's small nonviolent political opposition. Acquittal would indicate that in this case anyway the authorities are listening to the international appeals for greater political freedom. But if the four are convicted and sentenced, it will show that the regime won't permit any opposition at all. What then will the international crowd have to say about the society-transforming power of their investments?

[From the Fort Lauderdale Sun-Sentinel, Mar. 2, 1999]

WORLD IS WATCHING HAVANA TRIAL OF CUBANS WHO CRITICIZED SYSTEM

The trial of four prominent dissidents in Cuba, which started on Monday, promises to be a major international headache for the government of Fidel Castro. It should be.

Vladimiro Roca, Marta Beatriz Rogue, Felix Bonne and Rene Gomez Manzano, spent more than a year in prison before they were charged with a crime. After 19 months of detention, they stand accused of sedition, a stretch even by communist Cuba's standards.

The four human rights activitists have done nothing seditious. They did attack the political platform of the Fifth Cuban Communist Party Congress.

They called the platform out of touch with reality and said it offered no real solutions—to any of Cuba's complex problems. They volunteered one solution—ditching Cuba's one-party system.

For their unsolicited advice in July 1997, the four dissidents found themselves promptly behind bars. They had committed the ''seditious''—not to mention courageous—act of distributing their written criticism to foreign journalists. For their ''crimes,'' prosecutors are asking for six years for Roca, who is the son of well-known communist leader Blas Roca, and five years for the others.

The case is one of the most important human rights tests for Cuba in years. On the other hand, Cuba has become more flexible on religious and some economic matters. On the other hand, it has just passed repressive laws for many so-called political crimes.

This past weekend, Cuban security forces also rounded up more than half a dozen political dissidents in an apparent attempt to prevent public demonstrations during the trial. Last year, a small group of activists clashed with pro-government forces in Havana during the trial of several lesser-known dissidents.

In this latest human rights case, Pope John Paul II, King Juan Carlos of Spain and other world leaders are pressing for the dissidents' release.

Even if there are no protest signs outside the courthouse in Havana this week, the world is watching the outcome of this trial.

## SENATE RESOLUTION 58—RELATING TO THE RETIREMENT OF BARRY J. WOLK

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 58

Whereas, Barry J. Wolk will retire from service to the United States Senate after twenty-four years as a member of the staff of the Secretary of the Senate;

Whereas, his hard work and dedication resulted in his appointment to the position of Director of Printing and Document Services on November 16, 1996;

Whereas, as Director of Printing and Document Services, he has executed the important duties and responsibilities of his office with efficiency and constancy;

Whereas, Barry Wolk has demonstrated loyal devotion to the United States Senate as an institution. Now, therefore, be it

*Resolved,* That the Senate expresses its appreciation to Barry J. Wolk for his years of faithful service to his country and to the United States Senate.

SEC. 2. That the Secretary of the Senate shall transmit a copy of this resolution to Barry J. Wolk.

AMENDMENTS SUBMITTED

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EDUCATION FLEXIBILITY PARTNERSHIP ACT OF 1999

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BINGAMAN (AND OTHERS) AMENDMENT NO. 35

Mr. BINGAMAN (for himself, Mr. REID, Mr. LEVIN, and Mr. BRYAN) proposed an amendment to amendment No. 31 proposed by Mr. JEFFORDS to the bill (S. 280) to provide for education flexibility partnerships; as follows:

At the end, add the following:

**TITLE ___—DROPOUT PREVENTION AND STATE RESPONSIBILITIES**

**SEC. ___01. SHORT TITLE.**

This title may be cited as the ''National Dropout Prevention Act of 1999''.

**Subtitle A—Dropout Prevention**

**SEC. ___11. DROPOUT PREVENTION.**

Part C of title V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7261 et seq.) is amended to read as follows:

*''PART C—ASSISTANCE TO ADDRESS SCHOOL DROPOUT PROBLEMS*

*''Subpart 1—Coordinated National Strategy*

**''SEC. 5311. NATIONAL ACTIVITIES.**

''(a) NATIONAL PRIORITY.—It shall be a national priority, for the 5-year period beginning on the date of enactment of the National Dropout Prevention Act of 1999, to lower the school dropout rate, and increase school completion, for middle school and secondary school students in accordance with Federal law. As part of this priority, all Federal agencies that carry out activities that serve students at risk of dropping out of school or that are intended to help address the school dropout problem shall make school dropout prevention a top priority in the agencies' funding priorities during the 5-year period.

''(b) ENHANCED DATA COLLECTION.—The Secretary shall collect systematic data on the participation of different racial and ethnic groups (including migrant and limited English proficient students) in all Federal programs.

**''SEC. 5312. NATIONAL SCHOOL DROPOUT PREVENTION STRATEGY.**

''(a) PLAN.—The Director shall develop, implement, and monitor an interagency plan (in this section referred to as the ''plan'') to assess the coordination, use of resources, and availability of funding under Federal law that can be used to address school dropout prevention, or middle school or secondary school reentry. The plan shall be completed and transmitted to the Secretary and Congress not later than 180 days after the first Director is appointed.

''(b) COORDINATION.—The plan shall address inter- and intra-agency program coordination issues at the Federal level with respect to school dropout prevention and middle school and secondary school reentry, assess the targeting of existing Federal services to students who are most at risk of dropping out of school, and the cost-effectiveness of various programs and approaches used to address school dropout prevention.

''(c) AVAILABLE RESOURCES.—The plan shall also describe the ways in which State and local agencies can implement effective school dropout prevention programs using funds from a variety of Federal programs, including the programs under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) and the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

''(d) SCOPE.—The plan will address all Federal programs with school dropout prevention or school reentry elements or objectives, programs under chapter 1 of subpart 2 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a–11 et seq.), title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.), the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.), part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), subtitle C of title I of the Workforce Investment Act of 1998 (29 U.S.C 2881 et seq.), and other programs.

**''SEC. 5313. NATIONAL CLEARINGHOUSE.**

''Not later than 6 months after the date of enactment of the National Dropout Prevention Act of 1999, the Director shall establish a national clearinghouse on effective school dropout prevention, intervention and reentry programs. The clearinghouse shall be established through a competitive grant or contract awarded to an organization with a demonstrated capacity to provide technical assistance and disseminate information in the area of school dropout prevention, intervention, and reentry programs. The clearinghouse shall—

''(1) collect and disseminate to educators, parents, and policymakers information on research, effective programs, best practices, and available Federal resources with respect to school dropout prevention, intervention, and reentry programs, including dissemination by an electronically accessible database, a worldwide Web site, and a national journal; and

''(2) provide technical assistance regarding securing resources with respect to, and designing and implementing, effective and comprehensive school dropout prevention, intervention, and reentry programs.

**''SEC. 5314. NATIONAL RECOGNITION PROGRAM.**

''(a) IN GENERAL.—The Director shall carry out a national recognition program that recognizes schools that have made extraordinary progress in lowering school dropout rates under which a public middle school or secondary school from each State will be recognized. The Director shall use uniform national guidelines that are developed by the Director for the recognition program and shall recognize schools from nominations submitted by State educational agencies.

''(b) ELIGIBLE SCHOOLS.—The Director may recognize any public middle school or secondary school (including a charter school) that has implemented comprehensive reforms regarding the lowering of school dropout rates for all students at that school.

''(c) SUPPORT.—The Director may make monetary awards to schools recognized under this section, in amounts determined by the Director. Amounts received under this section shall be used for dissemination activities within the school district or nationally.

*''Subpart 2—National School Dropout Prevention Initiative*

**''SEC. 5321. FINDINGS.**

''Congress finds that, in order to lower dropout rates and raise academic achievement levels, improved and redesigned schools must—

''(1) challenge all children to attain their highest academic potential; and

''(2) ensure that all students have substantial and ongoing opportunities to—

''(A) achieve high levels of academic and technical skills;

''(B) prepare for college and careers;

''(C) learn by doing;

''(D) work with teachers in small schools within schools;

''(E) receive ongoing support from adult mentors;

''(F) access a wide variety of information about careers and postsecondary education and training;

''(G) use technology to enhance and motivate learning; and

''(H) benefit from strong links among middle schools, secondary schools, and postsecondary institutions.

**''SEC. 5322. PROGRAM AUTHORIZED.**

''(a) ALLOTMENTS TO STATES.—

''(1) IN GENERAL.—From the sum made available under section 5332(b) for a fiscal year the Secretary shall make an allotment to each State in an amount that bears the same relation to the sum as the amount the State received under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) for the preceding fiscal year bears to the amount received by all States under such title for the preceding fiscal year.

''(2) DEFINITION OF STATE.—In this subpart, the term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(b) GRANTS.—From amounts made available to a State under subsection (a), the State educational agency may award grants to public middle schools or secondary schools, that have school dropout rates which are in the highest ⅓ of all school dropout rates in the State, to enable the schools to pay only the startup and implementation costs of effective, sustainable, coordinated, and whole school dropout prevention programs that involve activities such as—

''(1) professional development;

''(2) obtaining curricular materials;

''(3) release time for professional staff;

''(4) planning and research;

''(5) remedial education;

''(6) reduction in pupil-to-teacher ratios;

''(7) efforts to meet State student achievement standards; and

''(8) counseling for at-risk students.

''(b) INTENT OF CONGRESS.—It is the intent of Congress that the activities started or implemented under subsection (a) shall be continued with funding provided under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.).

''(c) AMOUNT.—

''(1) IN GENERAL.—Subject to subsection (d) and except as provided in paragraph (2), a grant under this subpart shall be awarded—

''(A) in the first year that a school receives a grant payment under this subpart, in an amount that is not less than $50,000 and not more than $100,000, based on factors such as—

''(i) school size;

''(ii) costs of the model being implemented; and

''(iii) local cost factors such as poverty rates;

''(B) in the second such year, in an amount that is not less than 75 percent of the amount the school received under this subpart in the first such year;

''(C) in the third year, in an amount that is not less than 50 percent of the amount the school received under this subpart in the first such year; and

''(D) in each succeeding year in an amount that is not less than 30 percent of the amount the school received under this subpart in the first such year.

''(2) INCREASES.—The Director shall increase the amount awarded to a school under this subpart by 10 percent if the school creates smaller learning communities within the school and the creation is certified by the State educational agency.

''(d) DURATION.—A grant under this subpart shall be awarded for a period of 3 years, and may be continued for a period of 2 additional years if the State educational agency determines, based on the annual reports described in section 5328(a), that significant progress has been made in lowering the school dropout rate for students participating in the program assisted under this subpart compared to students at similar schools who are not participating in the program.

**''SEC. 5323. STRATEGIES AND ALLOWABLE MODELS.**

''(a) STRATEGIES.—Each school receiving a grant under this subpart shall implement research-based, sustainable, and widely replicated, strategies for school dropout prevention and reentry that address the needs of an entire school population rather than a subset of students. The strategies may include—

''(1) specific strategies for targeted purposes; and

''(2) approaches such as breaking larger schools down into smaller learning communities and other comprehensive reform approaches, developing clear linkages to career skills and employment, and addressing specific gatekeeper hurdles that often limit student retention and academic success.

''(b) ALLOWABLE MODELS.—The Director shall annually establish and publish in the Federal Register the principles, criteria, models, and other parameters regarding the types of effective, proven program models that are allowed to be used under this subpart, based on existing research.

''(c) CAPACITY BUILDING.—

''(1) IN GENERAL.—The Director, through a contract with a non-Federal entity, shall conduct a capacity building and design initiative in order to increase the types of proven strategies for dropout prevention on a schoolwide level.

''(2) NUMBER AND DURATION.—

''(A) NUMBER.—The Director shall award not more than 5 contracts under this subsection.

''(B) DURATION.—The Director shall award a contract under this section for a period of not more than 5 years.

''(d) SUPPORT FOR EXISTING REFORM NETWORKS.—

''(1) IN GENERAL.—The Director shall provide appropriate support to eligible entities to enable the eligible entities to provide training, materials, development, and staff assistance to schools assisted under this subpart.

''(2) DEFINITION OF ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that, prior to the date of enactment of the National Dropout Prevention Act of 1999—

''(A) provided training, technical assistance, and materials to 100 or more elementary schools or secondary schools; and

''(B) developed and published a specific educational program or design for use by the schools.

**''SEC. 5324. SELECTION OF SCHOOLS.**

''(a) SCHOOL APPLICATION.—

''(1) IN GENERAL.—Each school desiring a grant under this subpart shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State educational agency may require.

''(2) CONTENTS.—Each application submitted under paragraph (1) shall—

''(A) contain a certification from the local educational agency serving the school that—

''(i) the school has the highest number or rates of school dropouts in the age group served by the local educational agency;

''(ii) the local educational agency is committed to providing ongoing operational support, for the school's comprehensive reform plan to address the problem of school dropouts, for a period of 5 years; and

''(iii) the local educational agency will support the plan, including—

''(I) release time for teacher training;

''(II) efforts to coordinate activities for feeder schools; and

''(III) encouraging other schools served by the local educational agency to participate in the plan;

''(B) demonstrate that the faculty and administration of the school have agreed to apply for assistance under this subpart, and provide evidence of the school's willingness and ability to use the funds under this subpart, including providing an assurance of the support of 80 percent or more of the professional staff at the school;

''(C) describe the instructional strategies to be implemented, how the strategies will serve all students, and the effectiveness of the strategies;

''(D) describe a budget and timeline for implementing the strategies;

''(E) contain evidence of interaction with an eligible entity described in section 5323(d)(2);

''(F) contain evidence of coordination with existing resources;

''(G) provide an assurance that funds provided under this subpart will supplement and not supplant other Federal, State, and local funds;

''(H) describe how the activities to be assisted conform with an allowable model described in section 5323(b); and

''(I) demonstrate that the school and local educational agency have agreed to conduct a schoolwide program under 1114.

''(b) STATE AGENCY REVIEW AND AWARD.—The State educational agency shall review applications and award grants to schools under subsection (a) according to a review by a panel of experts on school dropout prevention.

''(c) CRITERIA.—The Director shall establish clear and specific selection criteria for awarding grants to schools under this subpart. Such criteria shall be based on school dropout rates and other relevant factors for State educational agencies to use in determining the number of grants to award and the type of schools to be awarded grants.

''(d) ELIGIBILITY.—

''(1) IN GENERAL.—A school is eligible to receive a grant under this subpart if the school is—

''(A) a public school—

''(i) that is eligible to receive assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), including a comprehensive secondary school, a vocational or technical secondary school, and a charter school; and

''(ii)(I) that serves students 50 percent or more of whom are low-income individuals; or

''(II) with respect to which the feeder schools that provide the majority of the incoming students to the school serve students 50 percent or more of whom are low-income individuals; or

''(B) is participating in a schoolwide program under section 1114 during the grant period.

''(2) OTHER SCHOOLS.—A private or parochial school, an alternative school, or a school within a school, is not eligible to receive a grant under this subpart, but an alternative school or school within a school may be served under this subpart as part of a whole school reform effort within an entire school building.

''(e) COMMUNITY-BASED ORGANIZATIONS.—A school that receives a grant under this subpart may use the grant funds to secure necessary services from a community-based organization, including private sector entities, if—

''(1) the school approves the use;

''(2) the funds are used to provide school dropout prevention and reentry activities related to schoolwide efforts; and

''(3) the community-based organization has demonstrated the organization's ability to provide effective services as described in section 107(a) of the Job Training Partnership Act (29 U.S.C. 1517(a)), or section 122 of the Workforce Investment Act of 1998 (29 U.S.C. 2842).

''(f) COORDINATION.—Each school that receives a grant under this subpart shall coordinate the activities assisted under this subpart with other Federal programs, such as programs assisted under chapter 1 of subpart 2 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a–11 et seq.) and the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

**''SEC. 5325. DISSEMINATION ACTIVITIES.**

''Each school that receives a grant under this subpart shall provide information and technical assistance to other schools within the school district, including presentations, document-sharing, and joint staff development.

**''SEC. 5326. PROGRESS INCENTIVES.**

''Notwithstanding any other provision of law, each local educational agency that receives funds under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) shall use such funding to provide assistance to schools served by the agency that have not made progress toward lowering school dropout rates after receiving assistance under this subpart for 2 fiscal years.

**''SEC. 5327. SCHOOL DROPOUT RATE CALCULATION.**

''For purposes of calculating a school dropout rate under this subpart, a school shall use—

''(1) the annual event school dropout rate for students leaving a school in a single year determined in accordance with the National Center for Education Statistics' Common Core of Data, if available; or

''(2) in other cases, a standard method for calculating the school dropout rate as determined by the State educational agency.

**''SEC. 5328. REPORTING AND ACCOUNTABILITY.**

''(a) REPORTING.—In order to receive funding under this subpart for a fiscal year after the first fiscal year a school receives funding under this subpart, the school shall provide, on an annual basis, to the Director a report regarding the status of the implementation of activities funded under this subpart, the disaggregated outcome data for students at schools assisted under this subpart such as dropout rates, and certification of progress from the eligible entity whose strategies the school is implementing.

''(b) ACCOUNTABILITY.—On the basis of the reports submitted under subsection (a), the Director shall evaluate the effect of the activities assisted under this subpart on school dropout prevention compared to a control group.

**''SEC. 5329. PROHIBITION ON TRACKING.**

''(a) IN GENERAL.—A school shall be ineligible to receive funding under this subpart for a fiscal year, if the school—

''(1) has in place a general education track;

''(2) provides courses with significantly different material and requirements to students at the same grade level; or

''(3) fails to encourage all students to take a core curriculum of courses.

''(b) REGULATIONS.—The Secretary shall promulgate regulations implementing subsection (a).

*''Subpart 3—Definitions; Authorization of Appropriations*

**''SEC. 5331. DEFINITIONS.**

''In this Act:

''(1) DIRECTOR.—The term ''Director'' means the Director of the Office of Dropout Prevention and Program Completion established under section 220 of the General Education Provisions Act.

''(2) LOW-INCOME.—The term ''low-income'', used with respect to an individual, means an individual determined to be low-income in accordance with measures described in section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6313(a)(5)).

''(3) SCHOOL DROPOUT.—The term ''school dropout'' has the meaning given the term in section 4(17) of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6103(17)).

**''SEC. 5332. AUTHORIZATION OF APPROPRIATIONS.**

''(a) SUBPART 1.—There are authorized to be appropriated to carry out subpart 1, $5,000,000 for fiscal year 2000 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(b) SUBPART 2.—There are authorized to be appropriated to carry out subpart 2, $145,000,000 for fiscal year 2000 and such sums as may be necessary for each of the 4 succeeding fiscal years, of which—

''(1) $125,000,000 shall be available to carry out section 5322; and

''(2) $20,000,000 shall be available to carry out section 5323.''.

**SEC. ___12. OFFICE OF DROPOUT PREVENTION AND PROGRAM COMPLETION.**

Title II of the Department of Education Organization Act (20 U.S.C. 3411) is amended—

(1) by redesignating section 216 (as added by Public Law 103–227) as section 218; and

(2) by adding at the end the following:

''OFFICE OF DROPOUT PREVENTION AND PROGRAM COMPLETION

''SEC. 220. (a) ESTABLISHMENT.—There shall be in the Department of Education an Office of Dropout Prevention and Program Completion (hereafter in this section referred to as the 'Office'), to be administered by the Director of the Office of Dropout Prevention and Program Completion. The Director of the Office shall report directly to the Secretary and shall perform such additional functions as the Secretary may prescribe.

''(b) DUTIES.—The Director of the Office of Dropout Prevention and Program Completion (hereafter in this section referred to as the 'Director'), through the Office, shall—

''(1) help coordinate Federal, State, and local efforts to lower school dropout rates and increase program completion by middle school, secondary school, and college students;

''(2) recommend Federal policies, objectives, and priorities to lower school dropout rates and increase program completion;

''(3) oversee the implementation of subpart 2 of part C of title V of the Elementary and Secondary Education Act of 1965;

''(4) develop and implement the National School Dropout Prevention Strategy under section 5312 of the Elementary and Secondary Education Act of 1965;

''(5) annually prepare and submit to Congress and the Secretary a national report describing efforts and recommended actions regarding school dropout prevention and program completion;

''(6) recommend action to the Secretary and the President, as appropriate, regarding school dropout prevention and program completion; and

''(7) consult with and assist State and local governments regarding school dropout prevention and program completion.

''(c) SCOPE OF DUTIES.—The scope of the Director's duties under subsection (b) shall include examination of all Federal and non-Federal efforts related to—

''(1) promoting program completion for children attending middle school or secondary school;

''(2) programs to obtain a secondary school diploma or its recognized equivalent (including general equivalency diploma (GED) programs), or college degree programs; and

''(3) reentry programs for individuals aged 12 to 24 who are out of school.

''(d) DETAILING.—In carrying out the Director's duties under this section, the Director may request the head of any Federal department or agency to detail personnel who are engaged in school dropout prevention activities to another Federal department or agency in order to implement the National School Dropout Prevention Strategy.''.

**Subtitle B—State Responsibilities**

**SEC. ___21. STATE RESPONSIBILITIES.**

Title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801 et seq.) is amended by adding at the end the following:

*''PART I—DROPOUT PREVENTION*

**''SEC. 14851. DROPOUT PREVENTION.**

''In order to receive any assistance under this Act, a State educational agency shall comply with the following provisions regarding school dropouts:

''(1) UNIFORM DATA COLLECTION.—Within 1 year after the date of enactment of the National Dropout Prevention Act of 1999, a State educational agency shall report to the Secretary and statewide, all school district and school data regarding school dropout rates in the State, and demographic breakdowns, according to procedures that conform with the National Center for Education Statistics' Common Core of Data.

''(2) ATTENDANCE-NEUTRAL FUNDING POLICIES.—Within 2 years after the date of enactment of the National Dropout Prevention Act of 1999, a State educational agency shall develop and implement education funding formula policies for public schools that provide appropriate incentives to retain students in school throughout the school year, such as—

''(A) a student count methodology that does not determine annual budgets based on attendance on a single day early in the academic year; and

''(B) specific incentives for retaining enrolled students throughout each year.

''(3) SUSPENSION AND EXPULSION POLICIES.—Within 2 years after the date of enactment of the National Dropout Prevention Act of 1998, a State educational agency shall develop uniform, long-term suspension and expulsion policies for serious infractions resulting in more than 10 days of exclusion from school per academic year so that similar violations result in similar penalties.''.

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## JEFFORDS (AND OTHERS) AMENDMENT NO. 36

Mr. JEFFORDS (for himself, Mr. GREGG, and Ms. COLLINS) proposed an amendment to amendment No. 35 proposed by Mr. BINGAMAN to the bill, supra; as follows:

On page 20, between lines 4 and 5, insert the following:

**''SEC. . FUNDING FOR IDEA.**

''Nothwithstanding any other provision of law, the provisions of this part, other than this section, shall have no effect, except that funds appropriated pursuant to the authority of this part shall be used to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

## JEFFORDS (AND OTHERS) AMENDMENT NO. 37

Mr. LOTT (for Mr. JEFFORDS for himself, Mr. GREGG, and Ms. COLLINS) proposed an amendment to amendment No. 35 proposed by Mr. BINGAMAN to the bill, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

**SEC. . AUTHORIZATION OF APPROPRIATIONS.**

In addition to other funds authorized to be appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), there are authorized to be appropriated $150,000,000 to carry out such part.

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## JEFFORDS AMENDMENT NO. 38

Mr. JEFFORDS proposed an amendment to amendment No. 31 proposed by him to the bill, supra; as follows:

In the language proposed to be stricken by amendment No. 31, at the appropriate place insert the following:

**SEC. . PUBLIC NOTICE AND COMMENT.**

The Secretary of Education shall prescribe requirements on how States will provide for public comments and notice.

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## ALLARD AMENDMENT NO. 39

(Ordered to lie on the table.)

Mr. ALLARD submitted an amendment intended to be proposed by him to the bill, S. 280, supra; as follows:

At the appropriate place, insert the following:

**SEC. . 'KNOW YOUR CUSTOMER' REGULATIONS RESCINDED**

(a) IN GENERAL.—None of the following proposed regulations may be published in final form and, to the extent that any such regulation has become effective before the date of the date of the enactment of this legislation, such regulation shall cease to be effective as of such date:

(1) The regulation proposed by the Comptroller of the Currency to amend part 21 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(2) The regulation proposed by the Director of the Office of Thrift Supervision to amend part 563 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(3) The regulation proposed by the Board of Governors of the Federal Reserve System to amend parts 208, 211, and 225 of title 12 of the Code of Federal Regulation, as published in the Federal Register on December 7, 1998.

(4) The regulation proposed by the Federal Deposit Insurance Corporation to amend part 326 of title 12 of the Code of Federal Regulations as published in the Federal Register on December 7, 1998.

(b) PROHIBITION ON SIMILAR REGULATIONS.—None of the Federal Banking Agencies referred to in subsection (a) may prescribe any regulation which is substantially similar to, or would have substantially the same effect as, any proposed regulation described in paragraph (1), (2), (3), or (4) of subsection (a).

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## ALLARD AMENDMENT NO. 40

(Ordered to lie on the table.)

Mr. ALLARD submitted an amendment intended to be proposed by him to amendment No. 31 proposed by Mr. JEFFORDS to the bill, supra; as follows:

In the language proposed to be stricken, insert the following:

**SEC. . 'KNOW YOUR CUSTOMER' REGULATIONS RESCINDED**

(a) IN GENERAL.—None of the following proposed regulations may be published in final form and, to the extent that any such regulation has become effective before the date of the date of the enactment of this legislation, such regulation shall cease to be effective as of such date:

(1) The regulation proposed by the Comptroller of the Currency to amend part 21 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(2) The regulation proposed by the Director of the Office of Thrift Supervision to amend part 563 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(3) The regulation proposed by the Board of Governors of the Federal Reserve System to amend parts 208, 211, and 225 of title 12 of the Code of Federal Regulation, as published in the Federal Register on December 7, 1998.

(4) The regulation proposed by the Federal Deposit Insurance Corporation to amend part 326 title 12 of the Code of Federal Regulations as published in the Federal Register on December 7, 1998.

(b) PROHIBITION ON SIMILAR REGULATIONS.—None of the Federal Banking Agencies referred to in subsection (a) may prescribe any regulation which is substantially similar to, or would have substantially the same effect as, any proposed regulation described in paragraph (1), (2), (3), or (4) of subsection (a).

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 2:30 p.m. on Thursday, March 4, 1999, in open session, to receive testimony from the unified and regional commanders on their military strategy and operational requirements in review of the fiscal year 2000 Defense authorization request and future years Defense program.

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

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, March 4, 1999, to conduct a markup of the committee print on ''The Financial Services Modernization Act of 1999.''

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet on Thursday, March 4, 1999, at 9:30 a.m. on Internet filtering.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, March 4 for purposes of conducting a full committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this business meeting is to consider pending calendar business.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, March 4, for purposes of conducting a full committee hearing which is scheduled to begin at 10 a.m. The purpose of this hearing is to consider the nomination of Robert Gee to be an Assistant Secretary of Energy for Fossil Energy.

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

COMMITTEE ON ENVIRONMENTAL AND PUBLIC WORKS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Environmental and Public Works be granted permission to conduct a hearing Thursday, March 4, 9 a.m., to receive testimony from Gary S. Guzy, nominated by the President to be General Counsel for the Environmental Protection Agency and Ann Jeanette Udall, nominated by the President to be a member of the board of trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation.

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

COMMITTEE ON FINANCE

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet Thursday, March 4, 1999 beginning at 10 a.m. in room SH–215, to conduct a markup.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. JEFFORDS. Mr President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, March 4, 1999, at 10 a.m. to mark up legislation at a business meeting.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Employment, Safety, and Training be authorized to meet for a hearing on the New SAFE Act during the session of the Senate on Thursday, March 4, 1999, at 9:30 a.m.

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

COMMITTEE ON THE JUDICIARY

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold an executive business meeting during the session of the Senate on Thursday, March 4, 1999, at 10 a.m. in room 226 of the Senate Dirksen Office Building.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, March 4, 1999, at 3 p.m., to hold a closed business meeting.

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

JOINT ECONOMIC COMMITTEE

Mr. JEFFORDS. Mr. President, I ask unanimous consent to allow the Joint Economic Committee to meet on the issue of economic growth through tax cuts on March 4, 1999, at 9:30 a.m.

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

SUBCOMMITTEE ON INTERNATIONAL OPERATIONS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Subcommittee on International Operations of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 4, 1999, at 2 p.m., to hold a hearing.

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

## ADDITIONAL STATEMENTS

### 100TH ANNIVERSARY OF THE VICKSBURG NATIONAL MILITARY PARK

● Mr. COCHRAN. Mr. President, I bring to the attention of the Senate the recent celebration of a special anniversary of one of our finest national treasures and most historic sites—the Vicksburg National Military Park.

On February 20, 1999, ceremonies were held at the Vicksburg National Military Park in Vicksburg, Mississippi, to commemorate the 100th anniversary of the establishment of the park. The statues of the first two superintendents of the park, Stephen D. Lee and William T. Rigby, were rededicated with several of their descendants in attendance.

This park was the seventh National Park established, and is the site of the campaign and siege of Vicksburg. On February 21, 1899, President William McKinley signed the legislation which created the park. Although originally envisioned to include 4,000 acres, today the park is comprised of over 1,800 acres with 1,324 monuments, markers and tablets. There are twenty-seven state monuments. In July of this year, the Kentucky monument will be dedicated.

The U.S.S. *Cairo*, a Civil War gunboat, which was sunk by Confederate mines just North of Vicksburg on the Yazoo River on December 12, 1862, was raised in 1964 and is displayed at the park as one of the best-preserved Vessels of its type.

The park is also the home of Vicksburg National Cemetery, established in 1866. Interred on the grounds are over 18,000 Union soldiers, of which the identities of 12,000 are unknown. Veterans of the Mexican, and Spanish-American Wars, World War I and II, and the Korean conflict also rest in the cemetery.

Over the past few years, the Senate has supported funding for the construction of a canopy to protect the U.S.S. *Cairo*, for the restoration of monuments at the Park which have deteriorated, and for the acquisition of parcels of land that are valuable for the preservation and interpretation of the campaign and siege of Vicksburg.

I hope Senators will be mindful of the valuable national assets at the Vicksburg National Military Park as the Senate considers funding for the National Park Service in the coming months.

Mr. President, I ask unanimous consent that the remarks delivered by Park Superintendent, William Nichols, and Historian, Terrence Winschel, at the re-dedication of the Lee and Rigby monuments be inserted in the RECORD.

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

REMARKS OF TERRENCE J. WINSCHEL

On the hot afternoon of May 22, 1863, General Lee watched in awe as Union troops poured out a ravine 400 yards east of here and deployed into line of battle on a ridge opposite his lines. One Confederate soldier who gazed over the parapets of earth and log recorded for posterity that the Federals deployed into line of battle with man touching man, rank pressing rank, and line supporting line. He could see Union officers riding up and down the lines giving encouragement to their men, making sure that all was set for the advance. He watched as the colors were uncased and caught the breeze above the lines, and listened to the sound of cold steel as the enemy affixed their bayonets in final preparation for the charge. To him the sight was grim, irresistible, yet magnificent in the extreme this pageantry of war.

But there was little time for admiration as the blue lines swept across the fields. With a mighty cheer the Federals swarmed up the slopes and into the ditches fronting the Vicksburg defenses. Planting several stands of colors atop the Confederate fortifications, a handful of Union troops entered Railroad Redoubt before you—the city's defenses had been pierced.

With calm determination, Stephen D. Lee rode to the point of danger. Exhorting his men to stand their ground in the face of overwhelming numbers, he gathered reinforcements in hand and led the counterattack which drove the Federals back and sealed the breach. It was the most sublime moment of his distinguished military career.

Thirty-six years later, this grand soldier of the Confederacy was named Chairman of the Vicksburg National Military Park Commission. He had worked tirelessly by example in the post war era to take Yankees and Rebels and make them Americans. Now he would forge from this bloody field of battle an eternal monument commemorating American valor to remind the generations that would follow of the sacrifices made on their behalf by the men in blue and gray.

In recognition of Lee's life of service to his nation and the American people, his fellow commissioner William T. Rigby sought to erect and dedicate within the general's lifetime a monument of bronze on the grounds of this battlefield which he made a shrine. Without Lee's knowledge, Rigby solicited contributions making himself the first donation.

In May 1908, veterans of the 22d Iowa Infantry, the very unit which pierced the lines at Railroad Redoubt, assembled in Vicksburg for a reunion and invited General Lee to attend. Although his health was broken, Lee came to Vicksburg and praised his former enemies for their courage and bravery exhibited on that bloody day. Captain Rigby took advantage of Lee's visit and asked the general to pose for a photograph on the spot from which he watched the charge. Lee came to this very place, stood erect with the posture of a soldier, and with his head turned slightly to the north, the fire of younger days returned to his eyes for the final time. Four days later, he died in Vicksburg, a place with which his name is synonymous.

The photograph taken that day was the basis for this monument which was dedicated on June 11, 1909. It reminds us today of courage, duty, honor, and stands as an enduring symbol of the love and respect that former enemies had for men turned brothers.

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REMARKS OF WILLIAM O. NICHOLS ON CAPT. WILLIAM T. RIGBY

We are gathered here before the statue of Captain William T. Rigby, the second person to serve as chairman of the Park Commission. In this capacity, Captain Rigby served from 1901 until 1929. . . . Obviously, these were the formative years for the development of this park. It was Captain William Rigby who designed and shaped and molded this park into what we see and what we have here today. Captain Rigby truly was and is the father of this great park.

We are delighted to have with us today the granddaughter of Captain Rigby. . . . Isabel Rigby . . . who is 86 years young . . . and who is joining us after just having returned to the United States from a week trip abroad to the Union of South Africa. Park historian Terry Winschel will be next on the program following and he will be followed by Miss Rigby.

William Titus Rigby was a native of Red Oak, Iowa. He was only 21 when he enlisted in the Union Army. He was a man of integrity, honesty and decency, and these qualities soon earned him a commission as a second lieutenant. He was later promoted to the rank of captain and it was in that capacity that he served for the balance of the war.

After the war, William Rigby returned to his native Iowa and entered Cornell College from which he graduated in 1869. That same year he married Eva Cattron. They enjoyed sixty years of marriage and raised three children: Will, Charlie and Grace. Isabel Rigby who is with us today is the daughter of Charlie.

During the time he was in the trenches around Vicksburg in 1863 William Rigby certainly could not have ever imagined that some thirty years later he would return to lead the effort to establish a national military park. In 1895 he was elected secretary of the Vicksburg National Military Park Association and for the next four years he travelled across the nation speaking to veterans' groups, legislators and members of Congress to generate support for the park measure. His efforts and those of General Lee were ultimately successful when the legislation was passed by Congress and signed into law by President William McKinley on February 21, 1899.

The park legislation created a three-man commission to oversee the development and management of the park. All three had to be veterans of the Vicksburg campaign, one had to be a Confederate representative and two were to be Union. General Lee of course was the logical choice to be named the Confederate representative. As Illinois had the largest number of troops engaged in the Vicksburg campaign, James Everest from that State was selected as the second commissioner. Despite all his work on behalf of the association to establish the park, partisan politics reared its ugly head and almost resulted in Captain Rigby not being selected as the third commissioner. But—those who had worked with him now raised such a hue and cry that Secretary Alger ultimately capitulated and named him the third commissioner.

Captain Rigby was the only one of the three commissioners who actually moved to Vicksburg. He established his residence and a park office here and subsequently became known as the resident commissioner, busying himself with the acquisition of land, the construction of the tour road and bridges, placing tablets and securing the impressive monuments for which this park is rightly noted. He devoted the last thirty years of his life to make Vicksburg National Military Park the finest in the world. More than any other man, our park today is the result of Captain William Rigby's labors.

Perhaps the greatest testimony to William Rigby's service can be found in the letter of resignation written to him by General Lee on November 21, 1901. General Lee's letter reads as follows:

''I felt at the time when Colonel Everest and yourself—by your votes—made me your chairman that it was an act of delicate courtesy extended to me by former antagonists. But, now, dear friend: From the very inception of the park movement, you have been the most active and industrious person connected with the enterprise. You have done more work and put more thought on the great enterprise than any other member or person connected with the park. From this fact I have never failed to agree with you in almost every suggestion or act connected with your management, and I really feel from our association and work you are now the most competent member to be the permanent chairman of the commission. I therefore tender to you my resignation as chairman of the commission and request that you assume all the duties of the office as permanent chairman.''

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REMARKS OF WILLIAM O. NICHOLS ON LT. GEN. STEPHEN D. LEE

Welcome. I am Park Supt Bill Nichols. We are gathered here this day to pay homage to two gentlemen who played a prominent role in making Vicksburg National Military Park the beautiful and significant site that it is today. In this park's 100 year history, there have been only twelve persons who served as its superintendent. These two gentlemen we honor today were this park's first superintendents (although they didn't have that title, that is in fact what they were). I personally have a feeling of great empathy for these two men: for the responsibilities they bore, for the actions they took, the examples they set for the 10 superintendents who followed them . . . . For what they did during the critical formative years to mold this park into the great memorial it is today.

We are here at the monument to General Stephen D. Lee. Stephen Dill Lee was a graduate of the United States Military Academy at West Point who served his nation faithfully until the outbreak of the Civil War. With the secession of his native South served the confederacy with his customary skill, rising to become the youngest lieutenant general in the Confederate Service. Following the war, he worked tirelessly to unite

the people of the Nation, to rebuild the South, and to care for Confederate veterans. His was a life of service to others, but perhaps his most lasting contribution was the establishment and development of this park.

The support of Confederate veterans was essential to secure passage of legislation to establish a park at Vicksburg. After all, the loss of Vicksburg was a stunning defeat to the Confederacy. Supporters of the park idea found the ally they needed in the person of General Lee who was highly respected throughout the State and the Nation. In October of 1895 when Union and Confederate veterans banded together to form the Vicksburg National Military Park Association, it was Stephen D. Lee who was the unanimous selection to be its president. He was the instrumental person in this movement which was culminated on February 21st, 1899, when the legislation was signed into law by President William McKinley establishing the park. General Lee was appointed to be the Confederate representative on the three-man commission established to run the park.

And Lee was immediately elected as chairman, thus becoming the park's first superintendent. Although General Lee remained in Columbus, he supported the Resident Commissioner William Rigby and thus his influence remains every where to see.

In November 1901, the pressures of time became too much for him and he resigned his chairmanship—but he continued on the park commission until his death in 1908. His last act of life was to attend a reunion of union veterans, the very troops who penetrated Lee's lines here at Vicksburg at the Railroad Redoubt. In the Spirit of national unity he praised his former enemies for their bravery and their devotion to duty . . . four days later he died here in Vicksburg and was laid in state in the park office where men in Blue and Gray again gathered to mourn the loss of a great American.

We have with us today descendants of General Lee—whom I would like to recognize. They are: great-grandson Hamilton Lee. He has with him his daughter, Avery. Next, another great grandson, Terry Batcheldor and his wife Ginny. Next, there is a great-great-grandson Stephen Lee. And last but certainly not least, great-great-great-grandson David Langstaff, who is accompanied by his three children, Meridith, Chris and Todd.

We are delighted that these members of the Stephen D. Lee family are with us today to participate in this ceremony to remember their ancestor who made such a significant contribution to the development of this national park.●

## TOBACCO SETTLEMENT FUNDS

● Mr. LEVIN. Mr. President, today I rise to speak to S. 346, legislation introduced by Senators BOB GRAHAM (D-Florida) and KAY BAILEY HUTCHINSON (R-Texas), which provides that the federal money obtained by the states in the tobacco settlements remains in the hands of the states.

Let me briefly review the history of why we are here today discussing tobacco recoupment. On November 23, 1998, 46 states, including my own state of Michigan, reached a $206 billion settlement with the major tobacco manufacturers. Michigan's share of the settlement is approximately $8.2 billion ($300 million per year over 25 years). States that entered into the settlement have begun to plan for the allocation of funds received under those agreements.

This settlement was the result of a great undertaking by the states. Over the last decade, state governments initiated lawsuits against the tobacco industry, asserting a variety of claims, including the violation of consumer fraud and other state consumer protection laws. Several state lawsuits did not include any claims for reimbursement of tobacco related health costs paid under the Medicaid program. Some states, such as Michigan, included Medicaid recovery as a part of its claim.

The Department of HHS claims a portion of the settlement represented by reimbursement of Medicaid costs it funded. However, because there were multiple bases for the state claims against the tobacco companies and because it would be difficult to accurately assess which portion of the states' settlement funds represents Medicaid reimbursement. I will support an amendment to this bill which will keep in the states any so called ''federal share'' funds if spent by the states on a variety of health and education related activities.

It is with the preceding in mind that I have joined on as a co-sponsor of S. 346. I urge the passage of S. 346, with an amendment along the lines described. This will hopefully expedite the process of these funds being used in a responsible and healthy manner.●

## TRIBUTE TO WILBUR MACDONALD NORRIS, JR.

● Mr. McCONNELL. Mr. President, I rise today to recognize the accomplishments of a dynamic Kentucky judge-executive and dedicated teacher, Wilbur MacDonald Norris, Jr.

Wilbur ''Buzz'' Norris served the State of Kentucky for 39 years, first as a teacher of government and politics for 30 years at Daviess County High School, and then for 9 years as Daviess County's judge-executive, the county's highest ranking elected official. Buzz also served his country with service in the United States Army for two years.

Buzz is truly a product of Kentucky. He completed his undergraduate degree at Kentucky Wesleyan College, and received a master's degree from Western Kentucky University. Buzz's deep-rooted background in Kentucky certainly served him well in his years of commendable service to our great state.

Buzz's career in Daviess County politics was marked by his willingness to fight for what was best for the county. He was heralded for his ability to work with county officials of both parties, and was effective numerous times in bringing the sometimes opposing sides together in a compromise that pleased almost everyone and was always of benefit to Daviess County.

Buzz was praised for bringing hundreds of jobs to the county with the creation of MidAmerica Airpark and bringing Scott Paper, now Kimberly-Clark, to Daviess County. It is widely speculated that, without these two companies' presence in Daviess County and Buzz's essential role in bringing them to the Owensboro, the county's economy would never have reached its current level of growth.

The legacy Buzz has left in Kentucky county politics also includes his efforts to build and maintain a much-needed landfill in Daviess County. The completion of the landfill will save the county countless dollars in fees in the future, and leaves yet another lasting impact from Buzz's priceless leadership.

Aside from Buzz's successful career holding county office, some of his proudest accomplishments come from his 30 admirable years as a teacher. Buzz taught high school politics and government classes at Daviess County High School and served the county by teaching a ''Problems in Government'' class for the Daviess community. Students in the class followed Buzz' example and plunged into the politics of local concerns, impacting decisions about topics such as highways and downtown revitalization.

Buzz Norris left his mark on Daviess County, and I have no doubt he will continue to contribute his time, effort and energy to the community for many years to come. I thank Buzz for his service to Kentucky, and I am confident my colleagues join me in my commendation of his work.●

## AIRLINE PASSENGER FAIRNESS ACT OF 1999

● Mr. FEINGOLD. Mr. President, I rise today to voice my strong support for the Airline Passenger Fairness Act. I commend Senators WYDEN and MCCAIN for bringing this crucial consumer issue before the Senate in a bipartisan manner. I am proud to be a co-sponsor of this bill.

Mr. President, I'm sure that each and every one of us in this body has experienced his or her fair share of frustration with air travel. Whether it's late flights, bad meals, long lines, or lost luggage, we've all gotten the short end of the stick at one point or another.

When it comes to air travel, we are all consumers. And this bill assures the protection of consumer interests. The Airline Passenger Fairness Act would ensure that passengers have the information that they need to make informed choices in their air travel plans. Given the recent spate of airlines' customer relations debacles, I hope this bill will also encourage some of them to treat their customers with more respect.

Mr. President, financial statements and the stock market don't lie. Most airlines have been experiencing years of exploding growth and record profits. Unfortunately, some employees and consumers have not shared in the boom. While this bill doesn't address all consumer concerns, it does move us forward in a constructive manner.

Mr. President, it's probably about time air travelers' interests received our attention. According to the Department of Transportation, consumer complaints about air travel shot up by

more than 25 percent last year. Those complaints run the gamut from ephemeral ticket pricing; being sold a ticket on already oversold flights; lost luggage; and flight delays, changes, and cancellations. This bill addresses these issues and more.

Perhaps of more importance, this bill does so without forcing airlines to compile information that they don't already keep. The bill simply allows air travelers the right to that basic information and the ability to make informed decisions.

Mr. President, I am fortunate to represent and be a customer of the nation's premier airline when it comes to customer satisfaction. For years, Midwest Express Airlines has enjoyed some of the highest airline customer satisfaction ratings in the country. For those of my colleagues who haven't had the pleasure to ride on Midwest Express, I, and I'm sure I speak for the senior Senator from Wisconsin, encourage you to do so.

Mr. President, Midwest Express maintains those superlative ratings because it already incorporates some of the provisions spelled out in this bill. Midwest Express already tries to notify its travelers if it anticipates a flight delay, flight change, or flight cancellation. The airline already attempts to make information on oversold flights available to its customers. Midwest Express already makes efforts to allow its customers access to frequent flyer program information.

These are some of the reasons the airline has been awarded the Consumer Reports Travel Letter Best Airline Award every year from 1992 to 1998; Zagat Airline Survey's #1 Domestic Airline award in 1994 and 1996; Travel & Leisure's World's Best Awards for Best Domestic Airline in 1997 and 1998; and Conde Nast Traveler's Business Travel Awards for Best U.S. Airline in 1998, among many awards.

Mr. President, other airlines should see this bill as a challenge to meet the lofty standards set by airlines like Midwest Express.

Mr. President, air travel is on the rise, but so are air travel complaints. This bill responds to the complaints by giving our constituents access to the information they need to make wise choices in air travel. Airlines truly concerned about their customers should already be making these efforts. As I noted, one Wisconsin-based airline is already making the effort. I urge my colleagues to join in this effort.●

## EXXON VALDEZ OILSPILL

● Mr. GORTON. Mr. President, this month is the 10th anniversary of the infamous Exxon Valdez oilspill. On March 24, 1989, one of Exxon's largest tankers, under the command of a captain who had been drinking and had abandoned the bridge, struck Bligh Reef and spilled 11 million gallons of North Slope crude oil into the pristine waters of Prince William Sound.

The Exxon Valdez oilspill remains the largest man-made environmental disaster in American history. The oil spread almost 600 miles, harming wildlife, closing fisheries, and damaging the subsistence way of life of Alaska Natives living in the region. To its credit, Exxon spent as much as $2–3 billion trying to rectify the effects of the spill, but much damage remains.

The spill brought home to all of us in the Pacific Northwest a deeper appreciation for the importance of preventing oilspills. Clean water, a vibrant fishery, and abundant wildlife are all parts of our Northwest way of life, and they are all at risk to oilspills.

In Commerce Committee hearings shortly after the spill, I told the Exxon CEO that a Japanese CEO would have been expected to resign after such a calamity. I said this not to be unkind, but because of my strongly-held view that oilspills caused by a company's reckless conduct cannot be tolerated.

It is now 10 years later, and Exxon is ready to move on. It has announced its intention to merge with Mobil, creating the largest corporation in the world, with annual revenues of over $180 billion.

The federal government is in the process of reviewing this proposed merger. I object to the merger of Exxon and Mobil unless Exxon first resolves some important unfinished business resulting from the 1989 spill. That unfinished business is the litigation brought by the tens of thousands of fishermen, small business owners, and Alaska Natives who were harmed by the spill.

About 6,500 of these people live in Washington State. They, too, would like to move on with their lives, but they can't. They have been waiting ten years since the spill, and almost five years since a federal jury determined that Exxon should pay them over $5 billion.

They will be waiting a lot longer if Exxon has its way. Every year of delay is worth about $400 million to Exxon, the difference between the 6 percent interest rate on the $5 billion judgment and Exxon's own rate of return of about 14 percent on the same $5 billion. If this case drags on long enough, Exxon will be able to pay most of the jury verdict out of money that it made solely because of the delay in paying the judgment.

Exxon has appealed the jury verdict, raising a number of issues. This is to be expected in a case involving this much money. But while this case crawls through our court system, the victims are left waiting for closure to a horrible event that changed their lives forever, and they are waiting for a sense that justice has been done. We need to find a way to meet these perfectly understandable human needs. Exxon has the power and resources to make that happen.

We need to send the strongest possible message to Exxon and other oil companies: you use our waterways to transport your product, and you know the consequences if your product spills, so it is your duty to take every precaution. If you act recklessly, you will pay dearly.

That message is fading after 10 years, and will be largely lost after a merger of these proportions. Now, before the merger, we have an opportunity to make an indelible impression on what would be the largest corporation on Earth—that an oilspill like this must never happen again.●

## TRIBUTE TO WAYNE PERKEY

● Mr. MCCONNELL. Mr. President, I rise today to commend Wayne Perkey for 30 years of dedicated service to WHAS-AM radio and his listeners in Louisville, Kentucky.

Wayne's voice has been heard by thousands of listeners over the past 30 years as a constant in the life of morning talk radio. He has made an unforgettable impression on WHAS radio, and has carefully molded the station into what it is today. When Wayne began work at WHAS the station had primarily an all-music format, and Wayne spent years transforming the station from that format into the all-talk format that they have today.

Most stations would not have been able to accomplish that kind of transition without losing a number of listeners, but Wayne's voice on the morning airwaves clenched listener support and WHAS has enjoyed long-lived success. Wayne's positive, up-beat morning program made Wayne an icon in the Louisville market. Certainly he is a mainstay that will be missed.

He presented up-to-the-minute news to hundreds of thousands of Kentuckians for the past 30 years and used his position at WHAS to serve the community. Wayne says that one of the things that drew him to work at WHAS in the first place was the stations' Crusade for Children program. He immediately took an interest in the Crusade, and played an integral role as master of ceremonies for many of his 30 years.

The Crusade is known as the most successful single-station telethon in the United States, raising $70 million for the care and treatment of handicapped children in Kentucky and Southern Indiana since its inception in 1954. Wayne saw how vital this program was to the millions of children who benefit from the Crusade each year, and has committed to emcee the telethon for one last year. His sincere concern for Kentucky's children is admirable, and we commend him for his 30 years of commitment to this cause.

Wayne's leadership on the WHAS morning team produced numerous recognitions for its award-winning broadcasts over the years. Wayne was individually honored by receiving the very first Spirit of Louisville Award at the Mayor's Community Thanksgiving Breakfast in 1994. His professional talent will be remembered and revered, and will certainly follow him through life in whatever endeavors he pursues.

I am confident Wayne Perkey will continue to succeed both professionally and personally and, on behalf of my colleagues, I thank him for his service and commend him on his accomplishments.●

## HONORING MORRIS KING UDALL, FORMER U.S. REPRESENTATIVE FROM ARIZONA, AND EXTENDING CONDOLENCES OF CONGRESS ON HIS DEATH

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Con. Res. 15, submitted earlier today by Senators MCCAIN, KENNEDY and others.

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

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 15) honoring Morris King Udall, former United States Representative from Arizona, and extending the condolences of the Congress on his death.

The Senate proceeded to consider the concurrent resolution.

Mr. MCCAIN. Mr. President, I rise today to honor Morris King Udall, former United States Representative from Arizona, and extending the condolences of the Congress on his death.

An anonymous poet wrote that, ''virtue is a man's monument.'' Undoubtedly, the wise poet had in mind a soul the likes of Morris King Udall, a man of monumental virtue.

Mo Udall was an extraordinary human being who lived an extraordinary life. Of humble beginnings, the son of St. Johns, Arizona rose to become one of the most influential and beloved legislators in the history of our Republic.

We are thankful for the gift of his company. We remember his brave journey. And we celebrate a remarkable life well-lived.

For over 30 years, Mo Udall graced our national and political life with his sweet humility, gentle kindness and legendary wit. A man of keen vision and great heart, he exemplified all that is good and decent about public service.

Mo Udall was what we all want our leaders to be. He was a powerful man who cared not about power for its own sake, but saw it as an opportunity—a sacred responsibility to do good as he saw it—to champion noble causes. His many important successes are written in the laws of our nation.

His legacy endures in the halls of the Congress, with men and women whom he humbled and instructed with his example. It endures among Native Americans whose welfare and progress he made his great purpose. And, it endures in the American parks and wildlands he fought to protect with his vision and his guiding ethic of environmental stewardship.

It is fitting that the easternmost point of the United States, in the Virgin Islands, and the westernmost point, in Guam are both named Udall Point. The sun will never set on the legacy of Mo Udall.

Carl Albert, former speaker of the House, said that Mo had written one of the most remarkable legislative records of all time. And he was right.

But Mo Udall will not be remembered simply for his prolific legislative achievements or the landmarks that bear his name. His most extraordinary monument is the virtue with which he lived his life and served his country.

He fought the good fight in a touch arena, while remaining a man of unsurpassed integrity, boundless compassion and unfailing good humor. He knew glorious victories and bitter defeats, serene contentment and profound suffering. Through it all, he remained a humble man of uncommon decency whose example offers a stark contrast to the meanness, pettiness and pride that soil too much of our political culture.

Mo was never known to be moved by flattery, puffed by tribute, or impressed by his own success. He knew that a man is only as great as the cause he serves—a cause that should be greater than himself.

Now did we ever know Mo to be discouraged in defeat. Through injury, illness, disappointment and, from time to time, failure, he was a fighter.

His humble perspective was as wise as it was delightful to observe. He leavened his wisdom with his legendary wit. Mo employed humor not simply to entertain, which he did like no other, but as a subtle and benevolent instrument to calm troubled waters, to instruct the unknowing, to humble the arrogant, and to inspire us all to be better and to do better.

Most often he was the target of his own barbs. He loved to tell the story about his campaign visit to a local barbershop where he announced his run for the presidency, and, as Mo told it, the barber answered. ''We know. We were just laughing about that.'' Most certainly an apocryphal story, but typical of Mo to tell it on himself.

Mo once said, ''the best political humor, however sharp or pointed, has a little love behind it. It's the spirit of the humor that counts * * * over the years it has served me when nothing else could.'' It has served us well too.

While most remembrances of Mo focus on his grace, humor, and environmental leadership, perhaps understated is what he did for Native Americans. When very few cared enough. Mo Udall toiled in an often fruitless and thankless vineyard on Indian issues. Moved by their desperate poverty and duty bound to honor the dignity of the first Americans and the solemn commitments made to them, Mo took up their just cause. He didn't do it for praise or recognition, he did it because it was the right thing to do. That was all the motivation and thanks he needed, and it characterized so aptly the benevolence of his political life.

How proud Mo must be that a new generation of Udalls have entered Congress. May their careers, like Mo's, light the way to more enlightened and civil public discourse.

The Navajo say ''May you walk in beauty.'' All his days, Mo Udall walked in beauty and he shared his beauty generously with us all. He is gone now, and we will miss him.

May we find cheer in the echoes of Mo Udall, the little boy from St. John's who became a giant, touching us one more time with those words we always loved to hear, ''I'm reminded of a story * * *.''

May each of us—may our country—forever find cheer, instruction and inspiration in his story. A story of monumental virtue. The remarkable story of Morris K. Udall.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, today we celebrate the life of a very special American, Congressman Morris K. Udall. Today, and every day, I think of him for all the wit and wisdom he shared with the world, and for the remarkable commitment he made to public service and the causes he believed in.

Mo inspired us with his integrity, compassion, dedication and humor.

His loss is deeply felt by all who knew him.

I first got to know Mo Udall when I came to the House of Representatives in 1978. He was a leader on issues that are still critical to the national debate, including protecting the environment, promoting honesty and fairness in the financing of campaigns, and making quality health care more accessible. I had the pleasure of working closely with him and sharing his passion on these priorities.

When I was a struggling young Congressman, Mo went the extra mile to lend me his support and his assistance. He was always willing to offer a joke or a piece of advice, and he even traveled to the middle of South Dakota on behalf of this very junior Member of Congress.

I am certainly not the only one who has benefited from the generosity of Morris Udall. In particular, those who shared his struggle with Parkinson's disease owe him a great debt of gratitude for his work on raising the awareness and funding for research on this debilitating illness. Although complications related to Parkinson's ultimately took his life, it is my hope that a speedy discovery of better treatments and, eventually, a cure for Parkinson's will be Mo's legacy to those at risk of developing this deadly disease.

I join my colleagues both to celebrate the life of this remarkable man as well as to express my deepest sympathy to Mo Udall's family, especially his wife, Norma, and his children, MARK, Randolph, Judith, Anne, Bradley and Katherine. They have had the pleasure of knowing him best, and they will certainly feel his loss the most.

There will never be another man with Mo Udall's unique combination of wit

and passion. We are all better for having worked with and learned from this wonderful leader. As we honor him today, as we celebrate his life with our words, may we also be challenged to follow in his footsteps as a dedicated servant of the people and honor him with our actions.

I yield the floor.

Mr. CHAFEE. Mr. President, I am honored to cosponsor the resolution honoring Mo Udall, introduced by Senator MCCAIN.

Mo Udall was one of those rare figures who defines description. A great statesman, a forceful environmentalist, a civil rights champion, a talented humorist, writer, athlete, and a wonderful family man—he was all those things and more. Mo Udall was larger than life, and will forever live beyond his life with a legacy that is woven into the fabric of our nation.

On protection of our natural resources, Mo was a true pioneer. He fought for environmental causes long before they became popular. His first bills to protect Arizona lands came in his early days as a Representative. He saw a need to protect the land for its intrinsic value, and for its reflection of our own values as a society. He was a visionary.

It took years of his tremendous dedication and his omnipresent wit before his vision took hold, but what a vision it was. One hundred million acres of lands in Alaska are preserved through the Alaska Lands Act of 1980. One million acres of land in Arizona are preserved through the Arizona Wilderness Act of 1984. Against great odds and after several Presidential vetoes, strip-mining laws were reformed in 1977. Nuclear waste management was vastly improved in 1982. Mo Udall was the author of each of these initiatives, which are only the highlights of an illustrious career.

Mo Udall was a pioneer in other ways. He quit his law firm upon joining the House in 1961, not the usual practice in those days. He was one of the first Congressmen to disclose his personal finances, before it was required. He organized introductory sessions for freshman Congressmen, shedding light and humor on the arcane ways of Congress, and fighting to reform some of those ways. He championed the rights of Native Americans, supporting their efforts to protect their lands, families and welfare. His integrity and honesty were untouchable. When he was right on an issue, he was gracious about it, and when he was wrong on an issue, he was honest about it.

Mo Udall's legacy survives in many ways. As a tribute to his 30 years of public service, Congress created the Morris K. Udall Foundation in 1991, which provides scholarships for Native American students, and the mediation of environmental disputes. Mo always attempted to balance the often conflicting desires of conservationists and developers, as he did in writing legislation for the Central Arizona Project. I could not think of a better celebration of his career than the creation of this Foundation.

Just last November, Mo saw a new generation of Udalls take up the torch of civic service. His son MARK and nephew TOM each won a seat in the House. But the torch is carried not only by his relatives. Part of Mo Udall's legacy—the humor, wit, dedication to public service, civility, and honesty—lives within each of us, and the greatest tribute we can make to Mo is affirm that legacy, carry it with us through our careers, and pass it on to the next generation.

Mr. KENNEDY. Mr. President, it's an honor for me to join in this tribute to a wonderful friend and outstanding colleague, Congressman Mo Udall. He served the people of Arizona with extraordinary distinction and he was a dear friend to all of us in the Kennedy family.

Mo came from a remarkable family with a long and respected history in politics and public service. His grandfather led a wagon train of settlers into the territory in the 1880's. His father served as chief justice of New Mexico's State Supreme Court. His brother, Steward Udall, served with President Kennedy in Congress, and my brother respected his ability so much that he appointed him to serve as secretary of Interior in the years of the New Frontier. Today, Mo's son, MARK, and his nephew, TOM, are carrying on the great Udall tradition of public service as newly elected member of the House of Representatives. So the Chambers of Congress ring once again with the respected Udall name.

Mo came to Congress a year before I did, and under similar circumstances. He was elected in 1961 to fill the seat vacated when his brother Stewart became Secretary of the Interior.

Every working man and woman in America owes a debt of gratitude to Mo for his many years of distinguished public service. His brilliant leadership on important environmental issues, campaign financing, and reform of the House of Representatives itself endeared him to all of us who knew him, and to millions who benefited from his extraordinary achievements.

On many issues, he was far ahead of his time, and his courage in tackling difficult challenges in a Congressional career of thirty brilliant years was admired by us all. President Kennedy would have called him a profile in courage, and so do I.

As Chairman of the Interior Committee, Mo was ''Mr. Environment'' in the Congress, urging the nation to deal more effectively with the increasingly urgent environmental challenges we faced. He worked hard to designate millions of acres of federal lands as wilderness, and to enact landmark legislation to regulate the strip mining industry and manage nuclear waste. Mo was at the forefront of efforts year after year to protect the environment, expand the country's national parks, promote land-use planning and restructure the energy industry. It came as no surprise when the National Wildlife Federation named Mo as its legislator of the year as early as 1973.

Under Mo's leadership, Congress passed the nation's first campaign finance reform legislation in 1971. That landmark disclosure law, which required federal candidates to file detailed public reports of their financing, remains one of the most important aspects of election reform as we know it today.

As a member of the Post Office and Civil Service Committee, Mo led battles to improve pay scales for federal employees, institute a system of merit pay, and reform and strengthen the entire Post Office Department.

Mo's leadership was equally pre-eminent on many other issues. Somehow, for thirty years, whenever you probed to the heart of a major battle, you always found Mo Udall championing the rights of citizens against special interest pressure, defending the highest ideals of America, and always doing it with the special grace and wit that were his trademark and that endeared him to Democrats and Republicans alike.

I think particularly of his influential role in ending the Vietnam war. Mo Udall was one of the first members of Congress in the 1960's to break with the Administration and oppose the war. Because of Mo, we were able to end the war more quickly.

I also think of his early battles to reform the seniority system and to make the Congress more responsive to the people we serve. In carrying forward these efforts today, we continue to follow the paths he blazed so well throughout his remarkable career.

Above all, I think of the extraordinary courage he displayed in his latter years, battling the cruel disease that finally led to his resignation from the Congress, in 1991, thirty years almost to the very day since he arrived in the House. in his final battle, as in so many other battles, Mo won the respect and admiration and affection of us all.

And through it all, Mo charmed friend and foe alike with his extraordinary sense of humor. Mo came from a small town named St. Johns in Arizona, and he loved to tell people that he knew something about small towns. As he said, ''I was in fifth grade before I learned the town's name wasn't 'Resume Speed.'''

He was also the master of the self-deprecating joke. He often told the story of his visit to New Hampshire during the presidential primaries in his 1976 campaign. At one stop, his advance woman urged him to shake a few hands in a nearby barber shop. So he stuck his head in the door and said, ''I'm Mo Udall, and I'm running for President!'' The barber replied, ''Yes, I know. We were just laughing about that this morning.''

His brilliant wit could ease even the tensest moments and bring people together. When Mo Udall laughed, Congress and the nation laughed with him, and then went on to do the nation's business more effectively.

I have many warm memories of the years that Mo and I served together in Congress. In so many ways, Mo was a Congressman for all seasons. He served the people of Arizona and America long and well. We miss his statesmanship, and we miss his friendship too. We miss you, Mo, and we always will.

Mr. DOMENICI. Mr. President, I would like pay tribute to one of the most widely admired and respected Members of Congress of this half of the century, Morris 'Mo' Udall.

It has been said that Mo Udall represented a time when friendships mattered more than politics. Indeed, he was an honest and straightforward person in a town notoriously short on such people, and he always tried to foster cooperation, especially among representatives from the Western states. We collaborated on many issues over the years, and I considered him a very good friend.

During the 1980's we served as co-chairman of the Copper Caucus and worked to help address the serious issues facing the American copper industry at the time. Together, we championed the cause of a new dollar coin, which, I'm pleased to say, is scheduled to go into circulation next year. We also worked to craft a sound nuclear waste management policy, and as Chairman of the House Committee on Interior and Insular Affairs, his help was invaluable in designating parks, wilderness, and other recreation areas in New Mexico.

I believe it is this area—land stewardship—where he left his most indelible mark. He cherished the land not only for the natural resources it can provide, but for its recreational and ecological value as well. Under his 14 year leadership, the House Interior Committee became one of the most efficient and effective committees in Congress, sometimes responsible for a quarter of the legislation passed by the House of Representatives. It is true that every person who stops to take a picture at a national park or hikes through a wilderness area owes a debt of gratitude to Mo Udall. His efforts in this area have touched us all.

Perhaps the second greatest legacy Mo Udall leaves behind is his legendary humor. In his 1988 book ''Too Funny to be President,'' he wrote ''It's better to have a sense of humor than no sense at all.'' Mo put this ''sense'' to good use, often employing it to make a point or defuse a tense situation. His philosophy was that the best political humor always ''has a little love behind it,'' and I can hardly think of a man more loved by his peers than Mo Udall.

Today, a new generation represents the Udall name in Congress. Mo's nephew, TOM UDALL, is the newest member of the New Mexico Delegation, and I look forward to working with him in the same manner as I worked with his uncle. TOM and Mo's son, MARK UDALL, do have big shoes to fill, but they also have an exemplary model to follow, and I trust they will carry on the Udall tradition of unswerving integrity and honor.

Arizona has lost a beloved native son, and New Mexico has lost a good friend and neighbor. His wit, grace and unflagging passion for the West will be missed by all of us who had the privilege to work with him.

Mr. INOUYE. Mr. President, I would like to take this moment to remember an extraordinary and respected individual. I join the multitude of people who noted the passing of Morris K. Udall on December 13, 1998 with much sadness. He will be sorely missed, especially by those of us who had the great privilege of knowing him and benefiting from his goodwill and humanitarianism.

As a distinguished Member of the United States House of Representatives for more than 30 years, Morris K. Udall's leadership, diligent efforts and commitment to his duties have added a measure of integrity to the Congress. History should record that throughout his career, Morris K. Udall was of great intellect and a champion for those who had little voice. He was an eloquent spokesman for the rights of Native Americans, a leader in education and environmental protection, and a true advocate for all Americans who suffer from Parkinson's disease.

The people of Arizona have lost a true son and great friend. We will miss him. I will miss him.

Mr. SPECTER. Mr. President, I have sought recognition today to honor the memory of our distinguished colleague, Morris K. Udall, who tirelessly infused into American politics his eloquent humor, grace, and dignity during his thirty year career in the U.S. House of Representatives. His death from Parkinson's Disease on December 12, 1998, was a great loss for the American people, and I am honored to have served with Mo and to preserve his legacy in our continued efforts to cure Parkinson's Disease.

I must point out that over one million Americans suffer from Parkinson's Disease symptoms, and 60,000 more are diagnosed each year; one every nine minutes. About forty percent of those patients are under age 60, and advanced symptoms leave people unable to complete their working careers. The disease is estimated to cost our nation about $25 billion annually. To help ease this suffering and remove the economic burden of Parkinson's Disease, I was pleased to be an original cosponsor of the Morris K. Udall Parkinson's Research and Education Act, signed into law on November 13, 1997 and sponsored by our distinguished colleagues Senators MCCAIN and WELLSTONE. The Udall bill authorized a comprehensive Parkinson's Disease research and education program within the National Institutes of Health, and improved the coordination of all Parkinson's initiatives across the Department of Health and Human Services.

On a personal note, I agree with the conventional wisdom that Mo had a marvelous sense of humor, as exemplified in his book, ''Too Funny to be President.'' One of my favorite anecdotes originates during his bid for the Democratic nomination for the presidency in 1976. Dutifully campaigning for the New Hampshire primary, he introduced himself to a barber as ''Mo Udall, running for President.'' The man chuckled and proceeded to respond, ''I know. We were laughing about that just this morning.''

Mo's accomplishments during his distinguished career are innumerable, from his tireless promotion of environmental conservation to his efforts to preserve the rights of our country's most vulnerable populations. I am pleased to join my colleagues in supporting this resolution to honor one of the most civil, respected, and effective legislators of our time, Mr. Morris King Udall, and I extend my sincere condolences to the Udall family for their loss.

Mr. BIDEN. Mr. President, perhaps because of the title of his book, ''Too Funny to Be President,'' a lot of people will remember Morris Udall chiefly for his wit and his humor. And that, in and of itself, is not a bad way to remember Mo Udall. Because all of us need to remember that while what we do, and the issues we deal with, are serious matters, there is neither need nor reason to take ourselves too seriously. Morris Udall excelled in using humor to remind us of that.

But his quick wit and often self-deprecating humor never could mask his deeply-rooted commitment to public service, his love of the land and people of Arizona, and the seriousness with which he took his responsibilities to the Congress, to his state and its people, and to this nation.

Morris Udall was a legislator in the most proud tradition of the term. He understood that legislation is the process by which we recognize a problem or an injustice and, as a nation, undertake to rectify that wrong. He understood that legislation did not mean introducing a bill and putting out a press release; that legislation was not complete simply because we held a hearing to let everyone know that we were aware of the problem; or that simply because a bill was passed and signed into law our responsibilities were ended.

Mo Udall understood that until—at the instigation of the legislation we passed and under our oversight—someone from the United States government actually went out there and corrected the problem, ended the injustice, or righted the wrong, the legislative process was not complete and our job remained undone. And Mo Udall was always willing to stay the course until we had fully met our responsibilities.

He is probably most remembered for his environmental initiatives; for his belief that this land is the most sacred trust bestowed upon the American people—and that blessed as we are by vast natural beauty and resources, we have a moral responsibility to preserve and protect that trust and to make wise use of those resources.

Anyone who has ever seen the natural wonder that is the Arizona landscape understands at once the roots of Mo Udall's love for this land. Clearly he had a vision that generations yet unborn should grow up and enjoy nature's bounty and splendor just as he had. And my granddaughters—and their grandchildren—will have that opportunity in large part because of years of hard work by Mo Udall. They will have the opportunity to enjoy and appreciate America's natural wonders and resources not just in Arizona but across this land. And Morris Udall's family—including a son and a nephew who have followed him here to the Congress, as well as his brother Stewart who proceeded him to the House of Representatives and then moved on to become Secretary of the Interior and was a partner in many of Mo's accomplishments—can point to so much: acres and acres of natural beauty, clean water, and spectacular wildlife, and say, ''There, that is part of Morris Udall's legacy.''

But there is another aspect to Morris Udall's legacy that I hope will be remembered equally, and that is his understanding of both the role and the limits of politics. He was an enormously talented politician, winning reelection year after year through changing times and shifting constituencies, and building a national following through his work on issues whose scope reached far beyond the boundaries of his congressional district. And he understood that politics is important, because the political process is the way in which a democracy defines its priorities and allocates its resources.

But Morris Udall understood that politics has its limits as well. That whatever our internal debate, partisan politics must end at the water's edge and the nation's borders and that Americans will speak with one voice when it comes to dealing with the world, and ensuring our national interests. He also said that when it came to the people of Arizona, they had not elected Morris Udall to be a Democratic Congressman just as they had not elected Barry Goldwater to be a Republican Senator. They had elected an Arizona congressman and an Arizona senator to look out for their interests and the interests of their state. And whether Carl Hayden or Barry Goldwater or John Rhodes or Dennis DeConcini shared his party label or not, he joined with them to look out for the interests of the people of Arizona here in the Halls of Congress.

And there was somewhere else that Mo Udall believed politics had its limits, and that was off the House floor or the campaign trail, away from the harsh debate, where friendships can develop regardless or partisan political stripe or ideology. He could count among his friends liberals and conservatives, Democrats and Republicans; simply because of his decency, his character, his interest in so many things both within and outside the political arena, and yes, his humor.

And perhaps most of all—at least in terms of his relationships with those of us here in the Congress—because Morris Udall could look beyond all of our differences and see that which I believe all of us have in common: the desire to make life better for our children, our neighbors, our states, and out nation.

That, I hope, will be as much a lasting part of Morris Udall's legacy as the natural wonders that will be there for our grandchildren because Mo Udall recognized a need and saw it's resolution through.

Mr. CAMPBELL. Mr. President, today I join my friend and colleague from Arizona, Senator MCCAIN, as an original cosponsor of his resolution to recognize the life and achievements of a remarkable man, the late Congressman from Arizona, Morris K. ''Mo'' Udall.

Congressman Udall served with distinction in the House of Representatives from 1961 to 1991. Until the advanced stages of Parkinson's disease forced him into early retirement, Mo was an active and vital member of Congress. I came to know him well during my years in the House when Congressman Udall chaired the House Committee on Interior and Insular Affairs.

Congressman Udall's death this past December marked the end of his courageous battle against Parkinson's disease and of a life-long dedication to public service. His commitment and devotion to the environment, government reform, health care and civil rights advanced these causes and established a legacy that will not soon be forgotten. However, as a former athlete myself, I will forever remember Mo as the 6-foot, 5-inch former professional basketball player, with a heart of gold and wonderful sense of humor.

It is impossible to fully recognize the impact that Congressman Udall's tireless efforts have had on this Congress, the State of Arizona, and our Nation.

Mere words cannot express the respect, gratitude and sense of loss that we feel for this extraordinary man. I can only say, ''Thank you, Mo.'' We will all miss you.

Mr. SARBANES. Mr. President, I rise today to join my colleagues in honoring a distinguished public servant and a highly respected Member of the United States Congress, Morris K. Udall, who died on December 12, 1998.

Mo Udall was elected to the U.S. House of Representatives in a special election held on May 2, 1961, succeeding his brother, Stewart, who had resigned from the House to serve as Secretary of the Interior in the Kennedy Administration. He served the citizens of Arizona and his nation with great distinction until his resignation on May 4, 1991. I was elected to the House of Representatives on November 3, 1970 and am proud to have served in the House with Mo Udall during the 92nd, 93rd and 94th Congresses.

Mr. President, Mo Udall was one of the most productive and creative legislators of his time. He chaired the House Committee on Interior and Insular Affairs from 1977 to 1991 and used this position very effectively to move numerous important environmental measures through the Congress. The National Wildlife Federation named Mo Udall its Legislator of the Year in 1974 and in 1980 Congress passed his Alaska Lands Act, which doubled the size of our national park system and tripled the size of the national wilderness sytem. His accomplishments in this critical area reflect a Westerner's deep love and respect for the land.

Mo Udall's intelligence, sense of humor and civility endeared him to his colleagues and to the citizens of Arizona's District 2 whom he served so well. He was the keynote speaker at the Democratic National Convention in 1980 and was paid a special tribute by the Democratic Party during the 1992 national convention.

When Mo Udall retired in 1991, Washington Post reporter, David Broder, had this to say:

> The legacy he left is imposing and enduring, it ranges from strip mining and Alaska wilderness legislation to the reform of archaic committee and floor procedures that congressional barons had used to conceal their arbitrary power. For a whole generation of congressmen, Udall became a mentor and a model, he was special and precious to many of us.

Mr. President, Mo Udall was special. He provided a positive and unifying force in the U.S. Congress which has been sorely missed. He was a good friend and respected colleague in the public service, and I would like to take this opportunity to pay tribute to him and to extend my deepest and heartfelt sympathies to his family.

Ms. SNOWE. Mr. President, with the passing of Morris K. Udall on December 12, 1998, there is a little less humor, and humanity in the world.

On that day, the nation lost a remarkable man of unyielding warmth and uncompromising ethics—and an individual who increased the stock of public service by adhering to the very highest principles of leadership. Mo Udall exemplified all that is noble about our field of endeavor, and I was honored to serve with him in the House of Representatives. He was a man of stature in every sense in the world, and his legacy still looms large on America's political landscape. I admired him as a colleague and a person.

Mo Udall was truly an American original, a son of the great Southwest who seemed at home wherever he was. He had a natural way with people—maybe because he had a way of making everyone feel important, feel like they had something to contribute. His faith

in people was genuine and unwavering, as was his belief in the power of government to be a positive force in the lives of those he served.

I always had a sense that Mo was someone who truly enjoyed what he did, and felt privileged to be doing it. It saddened me deeply when I last saw Mo, in the grips of a cruel and unforgiving disease. But that disease, while it deprived Mo of so much of the life he'd always known, never managed to wrest from him his dignity. And my sadness was tempered by the notion that this was a man who could look back on his life's work and feel that it stood for something. That it had truly made a difference. And I think that all of us in public service would like to be able to say that when all our votes have been cast and our tenure in this great institution has passed into history, in that regard, we should all be as fortunate as Morris K. Udall.

Similarly, we can all take lessons from his extraordinary life. He brought good cheer and laughter to a process that needs humor like an engine needs oil—without it, the wheels of government seize up; political discourse overheats. Indeed, as Mo himself once wrote, ''In times of national strife, humor can bring a diverse society closer together * * * In times of national tragedy, disappointment, or defeat, political humor can assuage the nation's grief, sadness or anger, and thus make bearable that which must be borne.''

Of course, while Mo never took himself too seriously, he understood full well the gravity of his work. Again, to use Mo's own words, ''* * * the business of government is serious business, and in politics, as in any other endeavor, wisecracks are no substitute for substance.''

Certainly, there was no lack of substance in Mo Udall's record, as even a cursory review of his accomplishments would reveal. Deeply committed to environmental issues, he worked toward a healthier world for future generations. Determined to erase the divisions among us, he helped champion civil rights. Weary of abuse in our nation's elections, he fought for campaign finance reform. Respectful of the natural beauty with which we've been blessed, he introduced legislation to protect our nation's most precious resources.

And mindful of the solemn responsibility we have to those who first occupied these lands, he was a trusted friend to native Americans. In fact, Mo was chairman of the House Committee on Interior and Insular Affairs when I fought for federal recognition of the Aroostook Band of Micmac Indians in northern Maine—and I will forever appreciate all of his wise guidance, input, and assistance.

Throughout it all, and despite his deeply held beliefs, Mo Udall never viewed ''bipartisanship'' as a four letter word. He knew that reaching out will always be more effective than digging in. That's not to say Mo Udall wasn't proud to be a Democrat—indeed, he was fiercely proud of his political affiliation—but at the end of the day, he always favored progress over party, civility over shrillness, and solutions over sound bites. He was more interested in fixing problems than scoring political points, and that made him a winner in the eyes of his constituents as well as a hero to all those who see public service as a worthy pursuit.

In closing, let me just say that, for all of Mo's accomplishments, perhaps time will prove this last one to be his greatest. For Mo Udall was living proof that there are good people in politics. At a time when cynicism about government is considered intellectually chic, Mo Udall reminds us all that integrity and hard work never go out of style. If the reputation of an institution is like the balance in a bank account—the sum of its credits and debits—then Mo Udall made more than his share of deposits over his 30 years in Congress. And he never withdrew a dime.

Today, Congress is the richer for it, public service is the richer for it, and the American people are the richer for it.

Mr. LEVIN. Mr. President, I rise to pay tribute to one of the greatest Americans to serve our Nation in this Capitol in this century.

Mo Udall was a man of grace, humor and dignity. In this time in Washington when we have all suffered under the burden of too much partisanship and too much personal vitriol in our political life, it would serve us well to contemplate the life of Mo Udall. This is a man who fought hard for what he believed. This is a man who entered more than his share of bruising political battles and yet used his enormous wit to soften the edges and to civilize the struggle. More often than not, the butt of the humor was Mo Udall, himself. When we who work here in Washington take ourselves too seriously, we might remember Mo's explanation that he was ending his 1976 campaign for the Presidency after six second-place finishes in Democratic primaries ''because of illness. The voters got sick of me.'' He loved to quote Israeli Prime Minister Golda Meir's warning, ''Don't be humble, you're not that great.''

Mo Udall was both humble and great. Mo Udall's sense of humor was so much a part of his legacy that we sometimes forget his towering accomplishments as an environmentalist and reformer. I worked with Mo on one of his signal accomplishments the passage in 1980 of the Alaska Lands Act which more than doubled the size of the national park system and which President Jimmy Carter called ''the most important conservation legislation of the century''. Among his many successful efforts to protect our nation's environment was his decade-long battle in the 1970's to pass tough strip mining reclamation legislation. As Chairman of the House Interior Committee he repeatedly led efforts to expand the national park system and to protect the nation's wildlife, rivers, forests and wilderness areas.

Throughout his career, Mo Udall was in the front ranks of those who fought for accountability and reform in public office. He battled for campaign finance reforms, and reforms in the Congress itself, including financial disclosure, reform of the seniority system, and lobby reform. He was among the leaders of the fight in 1971 for the Federal Election Campaign Act, the first substantial revision of campaign financing laws since 1925.

In his 1988 book, ''Too Funny To Be President'', Mo Udall revealed that his ''guiding light'' came from Will Rogers: ''We are here for just a spell and then pass on. So get a few laughs and do the best you can. Live your life so that whatever you lose, you are ahead.''

Mr. President, Morris ''Mo'' Udall is way, way ahead.

Mr. SMITH of Oregon. Mr. President, Morris King Udall is my cousin. But he is more than a kinsman to me. He is a political exemplar and a source of wisdom and humor still. I lament his passing but I rejoice in his legacy.

I was but a boy of 8 years when Morris was elected to Congress from Arizona to replace his brother Stewart. It was 1960 and Stewart Udall became the Interior Secretary for John F. Kennedy. It was then that I realized more fully my maternal heritage to public service. My mother, Jessica Udall Smith, often held up the service of Morris and Stewart Udall as public examples worthy to follow in order to make the world a better place and to lighten the burdens of human kind.

I grew up as best I could in the tall shadows of Udall giants. I choose to follow their path to pubic service. The way is sometimes hard and the storms many. But it is a way made easier by the humor of Morris Udall. He taught me that humor directed at oneself is usually best and often funniest. He wrote to me that the only cure for political ambition is embalming fluid. He told me to use any of his jokes 'cause he'd ''stole 'em all fair 'n square.''

I learned from him that the greatest thing about the United States of America is not that any boy or girl can grow up to be President, but that any boy or girl can grow up making fun of the President. I learned all of this from cousin Mo and so, so much more.

May God bless the memory of Morris K. Udall and may we all fondly remember him too.

Mr. FEINGOLD. Mr. President, I join today with my colleagues the Senior Senator from Arizona (Mr. MCCAIN) and the Senior Senator from Massachusetts (Mr. KENNEDY) to pay tribute to Morris K. Udall. While my friends from Arizona and Massachusetts enjoyed direct personal and working relationships with Mo Udall, I never knew him. But, I believe that those members of this body who worked with Mo Udall were infected by his unwavering commitment to his colleagues and share Udall's desire to work in a bipartisan

fashion. I feel that I am a part of this legacy, and that is why I am joining in paying tribute to Udall's life.

Central parts of Udall's legislative agenda were his commitment to the reform of campaign financing and his commitment to environmental protection. In 1967, Udall wrote in a constituent newsletter about the perilous position in which the drive to raise money places young aspiring legislators. He argued, setting the stage for the reform of the 1970s, that ''drastic changes'' were ''needed to breathe new life into American politics and recapture our political system from the money changers.'' I am inspired by Udall's remarks, in my own work on campaign finance reform with the Senior Senator from Arizona (Mr. MCCAIN), especially when I reflect on the fact that these are neither new nor resolved problems.

I also share Mo Udall's great respect for America's public lands. I have been a co-sponsor of the bill to protect the coastal plain of the Arctic National Wildlife refuge for three Congresses, and I have joined in the fight to protect the public lands of Southern Utah. Both of these campaigns date back to unfinished business that Udall began with the Alaska Lands Act and with his commitment to designating and protecting our country's special wild places.

In addition to conveying my own admiration for Mo Udall, I am also here to share the reflections of my own home state. Wisconsinites have a special fondness for Mo Udall for several reasons. Udall, who began his presidential quest as a long shot, a relatively unknown Arizona congressman, turned out to be a serious contender for the presidency. With his special brand of humor, Udall was a reformer who didn't come across as self-important. He outlasted bigger-name contenders and became Jimmy Carter's major rival for the nomination.

As a presidential candidate, Udall was unafraid to describe himself as part of a political tradition near and dear to the heart of the Badger State—progressivism. ''Liberal,'' Udall said, was just a buzzword. He didn't mind answering to it but by his standards he felt that he should more accurately be described as a ''progressive,'' in the tradition of Wisconsin's Fighting Bob LaFollette and in line with the presidencies of Woodrow Wilson, Franklin Roosevelt and John Kennedy. During the 1976 campaign, a commitment to progressivism nearly handed him Wisconsin's nod. Udall's biggest disappointment was in Wisconsin, where two networks declared him the winner and the April 7, 1976 Milwaukee Journal Sentinel's front page declared: ''Carter Upset by Udall.'' After going to bed as the winner of Wisconsin, Udall woke up as the runner-up when Carter pulled it out by less than 1% of the vote. Those premature reports turned out to be as close to victory as Udall got in the Democratic primaries that year.

It is my understanding that following his unsuccessful campaign for President, Udall framed that Milwaukee Journal Sentinel cover and it remained hanging on the wall within arm's length of his desk in his Capitol Hill office.

Second, Wisconsinites truly appreciated an accomplished national legislator who could laugh at himself. That's a rarity in politics. It's also why Udall is being remembered with such respect and affection from both sides of the political aisle. It is my understanding that Udall always had a one-liner. When Udall wrote a book about his '76 campaign, he called it ''Too Funny to Be President.'' A few of Washington's more somber commentators had suggested in '76 that Udall was too witty to be taken seriously. Udall disagreed: ''I've had a lot of letters about it. People found it a very appealing characteristic. They don't like pomposity. I took problems seriously—but not myself. The humor was directed at me, at other politicians, at the political process. I thought it was a big asset. It showed some stability and sensitivity.''

That book describes a 1976 campaign discussion in Wisconsin that Udall had with a 70-year old farmer in the northern part of my state. According to Udall, the farmer asked: ''Where are you from son?'' ''Washington, DC,'' Udall replied. ''You've got some pretty smart fellas back there ain't ya?,'' said the farmer. ''Yes sir, I guess we do.'' ''Got some that ain't so smart too, ain't ya?,'' the farmer continued.'' ''Well,'' Udall replied, ''I guess that's true too.'' ''Hard to tell the difference, ain't it,'' the farmer concluded with a laugh. Having traveled to every one of Wisconsin's 72 counties every year as part of my commitment to hold an annual town meeting, I share Udall's delight in this anecdote and his characterization of this truly Wisconsin exchange ''In a democracy, you see,'' Udall said, ''the people always have the last laugh.''

Udall will be long remembered for his character and fundamental decency. Without him, we must all strive to put issues before party and to complete the people's business. On behalf of myself and the citizens of my state, I wish to convey our greatest sympathy to Mo Udall's family. We are a greater country for his service. I yield the floor.

Mrs. BOXER. Mr. President, this Nation lost one of its great leaders when Morris K. Udall passed away on December 12, 1998. I was lucky enough to serve with Mo for ten years in the House of Representatives. He was an inspiration to me when I first came to Congress, an able representative of the people of Arizona, and an accomplished leader for our nation.

Mo Udall served the people of the Second District of Arizona for 30 years. I want to thank the citizens of Arizona's Second District for blessing our entire nation with a Congressman whose dedication and service represented the voices of millions of Americans throughout our nation. I want to thank them for electing Mo Udall in 1961, and for continuing to do so in each of the 15 elections that followed. The Second District of Arizona shared with the entire nation a leader who truly improved our cultural and natural heritage.

Mo Udall was a visionary. He came to Congress in 1961 and put that vision into action. As Chairman of the House Interior and Insular Affairs Committee from 1977 to 1991, Mo was responsible for some of our most progressive environmental accomplishments—designating millions of acres of federal lands as wilderness, banning development on millions of acres in Alaska, and reforming strip mining and nuclear waste management.

His conservation ethic is what I, and so many others, respected about him most. But there was more to him than that. He was widely regarded for his sharp wit and keen intellect. For so many reasons, he was respected by his Congressional colleagues, as well as the press and the public.

When Mo retired from Congress, David Broder wrote, ''The legacy he left is imposing and enduring. It ranges from strip mining and Alaskan wilderness legislation to the reform of archaic committee and floor procedures that congressional barons had used to conceal their arbitrary power. For a whole generation of congressmen, Udall became a mentor and a model—and they will miss him as much as the press galleries do.''

Just last week, I joined Congressman GEORGE MILLER in introducing a piece of legislation that I hope would make Mo Udall proud. It is up to those of us still in Congress to carry on his legacy of environmental responsibility. Lucky for us, there are two new Udalls in town. Mo's son, MARK UDALL, was just elected to Congress from Colorado, and his nephew, TOM UDALL, was elected to Congress from New Mexico. I look forward to working with them both. With their help, maybe we will be able to sustain the Udall environmental vision.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the resolution be agreed to; that the preamble be agreed to; that the motion to reconsider be laid upon the table; and that 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. 15) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. CON. RES. 15

Whereas Morris King Udall served his Nation and his State of Arizona with honor and distinction in his 30 years as a Member of the United States House of Representatives;

Whereas Morris King Udall became an internationally recognized leader in the field of conservation, personally sponsoring legislation that more than doubled the National Park and National Wildlife Refuge systems,

and added thousands of acres to America's National Wilderness Preservation System;

Whereas Morris King Udall was also instrumental in reorganizing the United States Postal Service, in helping enact legislation to restore lands left in the wake of surface mining, enhancing and protecting the civil service, and fighting long and consistently to safeguard the rights and legacies of Native Americans;

Whereas in his lifetime, Morris King Udall became known as a model Member of Congress and was among the most effective and admired legislators of his generation;

Whereas this very decent and good man from Arizona also left us with one of the most precious gifts of all — a special brand of wonderful and endearing humor that was distinctly his;

Whereas Morris King Udall set a standard for all facing adversity as he struggled against the onslaught of Parkinson's disease with the same optimism and humor that were the hallmarks of his life; and

Whereas Morris King Udall in so many ways will continue to stand as a symbol of all that is best about public service, for all that is civil in political discourse, for all that is kind and gentle, and will remain an inspiration to others: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That the Congress—

(1) has learned with profound sorrow of the death of the Honorable Morris King Udall on December 12, 1998, and extends condolences to the Udall family, and especially to his wife Norma;

(2) expresses its profound gratitude to the Honorable Morris King Udall and his family for the service that he rendered to his country; and

(3) recognizes with appreciation and respect the Honorable Morris K. Udall's commitment to and example of bipartisanship and collegial interaction in the legislative process.

**SEC. 2. TRANSMISSION OF ENROLLED RESOLUTION.**

The Secretary of the Senate shall transmit an enrolled copy of this concurrent resolution to the family of the Honorable Morris King Udall.

## EXPRESSING APPRECIATION TO BARRY WOLK ON HIS RETIREMENT

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 58, submitted earlier today by Senators LOTT and DASCHLE.

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

The legislative clerk read as follows:

A resolution (S. Res. 58) relating to the retirement of Barry J. Wolk.

The Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, on March 25, 1999, Barry Wolk, who has faithfully served the United States Senate for nearly 24 years, will retire. Barry began his career in September 1975 as Technical Advisor to the Secretary of the Senate. In January of 1983, he was appointed Director of Printing Services, and in November 1996, Barry assumed the responsibilities of Director of the newly created Office of Printing and Document Services.

Since 1996, the Office of Printing and Document Services has served as liaison to the Government Printing Office, managing all of the Senate's official printing. The office assists the Senate by coordinating the preparation, scheduling, and delivery of Senate legislation, hearing transcripts, committee prints and other documents to be printed by GPO. In addition, the office assigns publication numbers to each of these documents; orders all blank paper, envelopes and letterhead for the Senate; and prepares page counts of all Senate hearing transcripts in order to compensate commercial reporting companies for the preparation of hearings. The Office of Printing and Document Services is also responsible for providing copies of legislation and public laws to the Senate and general public.

I commend Barry Wolk for his dedicated service to this institution and wish him many years of health and happiness in his retirement.

Mr. DASCHLE. Mr. President, I am pleased today to recognize Barry Wolk, Director of Printing and Document Services, as he concludes over 23 years of service to the United States Senate. I know I speak for all of my colleagues, their staffs and others in the Senate community in acknowledging his excellence service. The Senate is well served by staff such as Mr. Wolk—people who are dedicated to the Senate and serve without partisanship year after year in carrying out critical administrative functions without which any institution could not carry out its mission.

Mr. Wolk has spent his Senate career serving in the Office of the Secretary of the Senate. He has carried out the Secretary's statutory responsibilities to ensure that Senate committee hearings are printed and has supplied Senators' offices and committees with stationary and other necessary items.He also assisted the Secretary in reducing the cost of these services through automation.

The Senate is fortunate to have so many long-term and dedicated employees like Barry Wolk. As Barry leaves the Senate and enters a new phase of his life, I join my colleagues in wishing him and his family well.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the resolution be agreed to; that the preamble be agreed to; that the motion to reconsider be laid upon the table; and that any statements relating to the resolution appear at the appropriate place in the RECORD.

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

The resolution (S. Res. 58) was agreed.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 58

Whereas, Barry J. Wolk will retire from service to the United States Senate after twenty-four years as a member of the staff of the Secretary of the Senate;

Whereas, his hard work and dedication resulted in his appointment to the position of Director of Printing and Document Services on November 16, 1996;

Whereas, as Director of Printing and Document Services, he has executed the important duties and responsibilities of his office with efficiency and constancy;

Whereas, Barry Wolk has demonstrated loyal devotion to the United States Senate as an institution. Now, therefore, be it

*Resolved,* That the Senate expresses its appreciation to Barry J. Wolk for his years of faithful service to his country and to the United States Senate.

SEC. 2. That the Secretary of the Senate shall transmit a copy of this resolution to Barry J. Wolk.

## ORDERS FOR FRIDAY, MARCH 5, 1999

Mr. JEFFORDS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Friday, March 5. I further ask unanimous consent that on Friday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved and the Senate then resume consideration of S. 280, the Education Flexibility Partnership Act.

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

## PROGRAM

Mr. JEFFORDS. Mr. President, for the information of all Senators, the Senate will reconvene on Friday at 9:30 a.m. and resume consideration of S. 280, the Ed-Flex bill. Amendments are expected to be offered and debated during Friday's session. Therefore, Members should expect at least one rollcall vote prior to noon. The leader would like to remind Members that a cloture motion was filed this evening to the Jeffords substitute amendment, and that vote will occur at 5 p.m. on Monday, March 8. Also, under rule XXII, all Senators have until 1 p.m. on Friday in order to file timely first-degree amendments to the substitute.

## ORDER FOR ADJOURNMENT

Mr. JEFFORDS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senator DASCHLE.

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

Mr. JEFFORDS. 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. DASCHLE. 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. DASCHLE. Mr. President, let me thank you and members of the floor

staff for your patience. I appreciate very much your indulgence of my need to come to the floor. I want to talk briefly about a very important development today.

## TRIBUTE TO JUSTICE HARRY BLACKMUN

Mr. DASCHLE. Mr. President, for 24 years Justice Harry Blackmun gave voice on the highest court in this land to ordinary Americans. He gave voice—in his own words—to ''the little guy.'' Early this morning, that voice was silenced. Harry Blackmun died at the age of 90.

He was an extraordinary man and a quintessential American. His tenure on the Court of Appeals and the Supreme Court extended through the terms of nine Presidents.

Years ago, Justice Blackmun predicted the first thing obituary writers would say of him today is that he was the man who wrote Roe v. Wade, and that clearly was the best known and most controversial decision in Justice Blackmun's career. But Harry Blackmun stood for much more than that. He was regarded by many as the Justice most insistent that the Court confront the reality of the problems it considered and the real-world consequences of those decisions.

In a dissenting opinion, he once challenged what he called ''the comfortable perspective'' from which his fellow Justices ruled that a $40 fee did not limit a poor woman's right to choose. The reason he saw that matter differently from his fellow Justices was due—at least in part—to the fact that Harry Blackmun had been raised differently.

He was born in Nashville in 1908 but grew up in St. Paul, MN. His father owned a hardware store and a grocery store. His family did not have a lot of money. When Harry Blackmun was 17 years old, he was chosen by the Harvard Club of Minnesota to receive a scholarship. At Harvard, he majored in mathematics. To cover living expenses, he worked as a janitor and a milkman, painted handball courts, and graded math papers.

He considered seriously going to medical school but chose Harvard instead. He worked that same string of odd jobs to pay for his room and board all the way through law school. After law school, he spent 16 years in private law practice in St. Paul.

In 1950, Harry Blackmun became the first resident counsel at the world-renowned Mayo Clinic in Rochester, MN. He later called this ''the happiest decade'' in his life, because it gave him ''a foot in both camps—law and medicine.''

A lifelong Republican, Justice Blackmun was nominated in November of 1959 by President Eisenhower to the U.S. Court of Appeals' Eighth Circuit. At the time, he was labeled a conservative.

In April of 1970, he was nominated by President Nixon to the Supreme Court. He had been recommended to President Nixon by a man with whom he had been friends since they attended kindergarten together: Chief Justice Warren Burger. Justice Blackmun was, in fact, the third choice to fill the seat vacated by Abe Fortas. Typical of his self-effacing wit, he often referred to himself as ''Old No. 3.''

When the FBI conducted its prenomination investigation of Harry Blackmun, they turned up only one complaint: He works too hard.

In his early days on the Court, Justice Blackmun tended to vote with his old friend, the Chief Justice. In fact, their records were so similar they were called by some ''the Minnesota Twins.''

As he began his second decade on the Court, Justice Blackmun found his own voice. He began to use that voice more frequently and more forcefully to speak for those he thought too often went unnoticed by the Court. He emerged as one of the Court's most courageous champions of individual liberty. His overriding concern was balancing and protecting the rights of individuals against the authority of the government.

He was a staunch defender of free speech and what he called ''the most valued'' of all rights: the right to be left alone.

He was criticized by some and praised by others for what many people perceived as a change in his political beliefs. He always insisted to friends that he had not moved to the left; rather the Court had moved to the right. ''I've been called liberal and conservative; labels are deceiving. I call them as I see them,'' he said.

Roe v. Wade combined Justice Blackmun's two most enduring interests: the right to privacy, and the relationship between medical and legal issues. For weeks before writing the majority opinion, he immersed himself in historical and medical research at the Mayo Clinic.

Over the years, he would receive 60,000 pieces of hate mail as a result of his decision. He read every one of them. Once when he was asked why, he replied, simply, ''I want to know what the people who wrote are thinking.''

He understood why Roe v. Wade produced such strong passions in people—because it had elicited strong feelings in him.

In 1983, he gave a long interview to a reporter—something that remains nearly unprecedented for a Supreme Court Justice. In that interview, he recalled what it was like to write the opinion in that landmark case.

> I believe everything I said in the second paragraph of that opinion, where I agonized, initially not only for myself, but for the Court.
>
> Parenthetically, in doing so publicly, I disobeyed one suggestion Hugo Black made to me when I first came here. He said, ''Harry, never display agony in public, in an opinion. Never display agony. Never say 'This is an agonizing, difficult decision.' Always write it as though it's clear as crystal.''

Justice Blackmun wrote an agonized opinion because for him—and, he understood, for most people—abortion is an agonizing decision. It was then, and it remains so today.

I, for one, am grateful to Justice Blackmun that he did not try to minimize the difficulty of that decision. To do so would have been disrespectful, I believe, to the vast majority of Americans who are truly torn, intellectually and emotionally, by the question of abortion.

In 1994, when Justice Blackmun announced his retirement, he told President Clinton, ''I'm indebted to the Nation . . . for putting up with the likes of me.''

Today, as we bid farewell to Harry Blackmun, it is we who are indebted to him. He was the champion of liberty, and ''we are not likely to see the likes of him'' for a long time.

Our thoughts and prayers are with Justice Blackmun's friends and family, especially his wife and partner of 58 years, Dottie, and their three daughters, Nancy, Sally and Susan. Our Nation will miss Harry Blackmun.

## ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 9:30 a.m., Friday, March 5, 1999.

Thereupon, the Senate, at 7:10 p.m., adjourned until Friday, March 5, 1999, at 9:30 a.m.