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House of Representatives

The House was not in session today. Its next meeting will be held on Monday, April 29, 2002, at 2 p.m.

Senate

FRIDAY, APRIL 26, 2002

The Senate met at 10 a.m. and was called to order by the Honorable DEBBIE STABENOW, a Senator from the State of Michigan.

PRAYER

The guest Chaplain, Father Paul Lavin, St. Joseph's Catholic Church, offered the following prayer:

Let us listen to the words of the prophet Isaiah:

*If you remove from your midst oppression,
False accusation and malicious speech;
If you bestow your bread on the hungry,
And satisfy the afflicted;
Then light shall rise for you in the dark-
ness,*

*And the gloom shall become for you like
midday;*

*Then the Lord will guide you always,
And give you plenty on the parched
land.—Isaiah 58:9-11.*

Let us pray.

Lord we thank You and we praise You for the goodness of our people and for the spirit of justice that fills our Nation. We thank You for the beauty and the fullness of the land, and for the challenge of the cities. We thank You for our work, for our rest, for one another, and for our homes.

Look with favor on the men and women who serve in this Senate. Help them to foster decency and to uphold justice and right. Strengthen them with Your grace and wisdom, and strengthen and support those who serve on their staffs. This morning we ask that You give strength of body, courage of spirit, and patience with pain to your servant Mary Jane Ogilvie, wife of the Chaplain of this Senate. With Your

help she may soon be restored to health.

We ask this through Christ our Lord. Amen.

PLEDGE OF ALLEGIANCE

The Honorable DEBBIE STABENOW, a Senator from the State of Michigan, led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 26, 2002.

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

Ms. STABENOW thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. REID. Madam President, this morning the Senate will resume consideration of the motion to proceed to H.R. 2003, the Andean Trade Act. No rollcall votes will occur today. Cloture has been filed on the motion to proceed to Andean trade. The Senate will vote on cloture on the motion to proceed on Monday at 6 p.m.

THANKS TO ALL WHO MAKE THE SENATE WORK

Mr. REID. Madam President, yesterday we finished a very long and arduous task in working our way through the energy bill. There were almost 500 amendments offered on that bill. The 2 managers worked through 150 or 200 amendments. It was a very difficult, contentious debate that led to passage of that bill.

There was a lot said yesterday evening about how hard people worked. There was a lot of work done, but I think it is good once in a while to pause and talk about the people who make this body function and about whom we hear relatively nothing. For example, I have been truly amazed, since being a Member of this body, that when matters come up that deal with parliamentary procedures, we have a group of parliamentarians, Alan

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



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Frumin, Elizabeth MacDonough, and Peter Robinson who work for the Senate. I do not know their political registration—I do not know if anyone does—they really do a good job. They advise the Chair to make appropriate rulings, and we have a lot of extremely complicated rules in this body. You think you have them figured out one day, and the next day you are told there is some nuance that you did not know or did not understand.

I go to the parliamentarians on a frequent basis and always am convinced I get the best information they can give me. I know everyone who sits in the chair where the Senator from Michigan now sits feels the same way. They are to be complimented. The many people who watch C-SPAN should know one reason this body functions so well is the advice we get to keep this unruly body as ruly as possible.

In addition to the parliamentarians, we have the Legislative Clerks, Dave Tinsley, Kathleen Alvarez, and Donnee Gray. When the roll is called, they make sure the Senators are counted when they say "yes" or "no" on the votes, and then there are people running in and out of this body, and sometimes it is hard to keep track of them, and they do a perfect job. Additionally, they keep track of all the amendments that are sent to the desk, and that is not an easy task.

Then there are the Journal Clerks, Scott Sanborn and Myra Baran, who keep the Senate Journal, and they do a wonderful job.

We have a CONGRESSIONAL RECORD that is the envy of the world. If somebody gets recognized in the CONGRESSIONAL RECORD, that is really an important day in the life of people. That is all done by these wonderful people who make sure we have a good record.

Behind me is the Democratic cloakroom where Trisha Engle, Paul Ordal, Joe Lapia, and Erik Pederson work. To my right is the Republican cloakroom. In there are people we never see. They take hundreds of phone calls every day from Senators and staff: When is there going to be a vote? Are we going to have to vote today? Is Senator such-and-such there? Would you get this message to them? If there is something that does not go right, they are the ones who get the brunt of the phone calls complaining about things. But they do a great job, again, allowing this body to run as well as it does.

In addition to the people I have mentioned, there are a very few select people who are the people who give the floor leaders the information we need to make sure we do the right thing, so when we go to the Parliamentarian, we have done what we are supposed to do.

On my side of the aisle, I have people on whom I depend every day for information, Marty Paone, Lula Davis, Gary Myrick, and Tim Mitchell these people we depend on so much for important information. They are really good at what they do.

On the Republican side, it is the same thing. We have Dave Schiappa,

Denise Ramonas, and Malloy McDaniel, on whom the Republican floor leaders depend. I have to be frank that sometimes, when one of my people is off the floor, I have no problem going to one of the Republicans and saying: David, here is a question. Will you answer it for me?

So we are very fortunate to have these dedicated public servants who really make this great Capitol of ours operate as well as it does as far as the Senate is concerned.

I have left out so many important people. There are the people who are the security officials. They are here, and if one looks around, they can see them, but they do not notice them because they do their job so well. We have people who, of course, are armed; others are not. If something did go wrong, these people are some of the best trained in the world to take care of whatever contingency might arise.

That is why, when I speak to an elementary school, secondary school, or college, I tell the young people they should consider public service as a vocation, whether it is running for elective office, seeking a point of office, or going to work in another capacity for the Government, as the people I have mentioned today—people who devote their lives to seeing that our system of government works.

There was a period of time not long ago when people in high public office said the Government was the enemy. I have never believed that. I still don't believe that. I believe that government is our friend and that we look to government to help in situations when we cannot help ourselves. An example is the September 11 disaster that took place in New York City and behind us at the Pentagon. To whom did we look? We looked to the Government to help.

If I had been doing my work, I would have had all the names, but I thought it was totally appropriate—in light of all the good things said about a few select people yesterday—that we mention the scores of people who each day make this Senate a pleasant place to work and make it the best job in the world. The Presiding Officer, and this Senator from Nevada, believe we have the best jobs in the world. I don't know how a job could bring more satisfaction than working on the problems that face the people of our respective States and the country. I, like the other 99 Members of this body, am grateful to be here, but I think I speak for every Senator in recognizing the many talents that make our job pleasant and make the body run as efficiently as it does.

RESERVATION OF LEADER TIME

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

ANDEAN TRADE PREFERENCE ACT—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the

Senate will now resume consideration of the motion to proceed to H.R. 3009, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that act, and for other purposes.

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

The ACTING PRESIDENT pro tempore.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. REID. Madam President, I ask unanimous consent the Senate stand in recess pending the call of the Chair.

There being no objection, the Senate, at 10:25 a.m., recessed until 11:26 a.m. and reassembled when called to order by the Presiding Officer (Mr. JEFFORDS).

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. CORZINE. Mr. President, I ask unanimous consent to speak as in morning business.

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

OUR NATION'S FISCAL AFFAIRS

Mr. CORZINE. Mr. President, I rise this morning to speak about a troubling and increasingly apparent problem that I think concerns the fiscal affairs of our great Nation. Each passing month, each passing quarter, we become more certain in our recognition that the fiscal strategy of our Nation is one that is undermining our future capacity and security as a nation.

I believe we have a failed fiscal strategy as a result of the overreaching tax cuts that we had last year, along with, obviously, the very significant changed circumstances—economically and with our war on terrorism. We have seen a projected surplus of \$5.6 trillion over the succeeding 10 years virtually evaporate. As I say, each passing month and each passing quarter we get new verification of that.

Today, I read in the newspapers across the country that the latest indication of this is becoming even more apparent. Today's reports indicate that revenue is coming into the Government at a rate much lower than earlier projected. There is now a reason to believe we will have a \$70 billion revenue shortfall from the projections that occurred as recently as a month and a half ago, 6 weeks ago. It is about a \$70 billion revenue shortfall, which will push our budget deficit for this year,

by many estimates, up to \$125 billion. A unified budget deficit of that magnitude is hard to believe in the context of where we have come from, and I certainly believe that requires rethinking our fiscal strategy if we are to be responsible about how we manage the fiscal affairs of this Nation.

That is a doubling of the previous estimates of the unified deficit and, frankly, it doesn't even count the new spending that is expected from President Bush on requests that will deal with antiterrorism and homeland defense. For individual spending, whole life, trying to manage budgets, I consider this a stark and dangerous problem that could undermine the fiscal and, ultimately, the economic health of the Nation.

They highlight a fact that is equally disturbing to me and to a lot of my colleagues, which is that this year we are going to use Social Security payroll taxes that people had thought would be put in place to build up the Social Security trust fund almost completely, if not entirely, to fund these deficits.

I think this is a misuse of the Social Security contributions. I think it is one that the American people would be troubled with if they understood what was happening. I think it would require us to truly rethink our overall fiscal strategy. We should not be using Social Security funds to pay for anything other than Social Security, let alone financing these tax cuts that are a misallocation of resources relative to our Nation's needs—particularly, at a time when we are asking people to sacrifice on a whole series of issues regarding our national security.

I think I speak for many, if not most, Democrats in emphasizing this point, particularly as it relates to the Social Security trust fund.

In the long term, raids on Social Security threaten the security of hard-working American families. But there is also a second danger with regard to Social Security that is equally as important as the fiscal danger, and I think that is very important, quite obviously.

Last December, President Bush's Social Security Commission prepared privatization plans that call for deep cuts in Social Security benefits. In fact, it talks about taking \$1 trillion out of the Social Security trust fund for transitional costs to a privatization program.

Under these proposals that are on the table, some of the cuts in Social Security may be as much as 25 percent for those who will be retiring in about 20 years and could be as much as 45 percent for later retirees.

Think about that: 25 percent to 45 percent. The average Social Security benefit for an American is \$10,000. We ought to put that in context. If we are going to take 25 percent, or \$2,500, away from that \$10,000 or, God forbid, the 45 percent, or a \$4,500 cut, and apply it to the \$10,000, one wonders how our seniors are going to meet their fi-

nancial obligations with this poor social safety net.

Mr. President, \$10,000 is not lavish, but the idea of a \$5,500 benefit seems pretty scary in a world where one can spend that much on prescription drugs in a given year, before even paying for rent and other needs. Certainly in New Jersey—and I am sure this is the case in Vermont—nobody is going to be living high on the hog on \$10,000, and certainly not \$5,500.

We have a real issue with privatization of Social Security, as well as with this fiscal problem. They come together, and this is what I wish to talk about.

I know a lot of people believe we have to fight these cuts, and we probably will over the long run, because most people think they are just wrong. But we also need to make sure Social Security has the resources to maintain the benefits structure that is in place. The entire Social Security shortfall, according to the Social Security actuaries—that is the administration itself—is \$3.7 trillion over the 75-year measured period. That may sound like a lot of money, and I guess it is.

I sit at Everett Dirksen's old desk, and he used to say: A billion here, a billion there is a lot of money. Mr. President, \$3.7 trillion is a lot more money, but it is not a lot in the long-term fiscal potential of our Nation. In fact, last year's tax cuts alone will cost the Nation, over that 75-year period, \$8.7 trillion. So we have \$3.7 trillion to secure Social Security, and there is an \$8.7 trillion tax cut. We can put those two together and say: Where are our priorities? What should we be emphasizing?

The Social Security shortfall is less than a half of the cost of last year's tax cut. Some tax cut was very good, and most of us would argue that is very much the case. It is just a matter of whether it is overreaching and whether it is, in the context of today's world, something we should continue to pursue.

Like most Democrats, I am fully committed—I actually think most of us in this Chamber are committed—to protecting and defending Social Security. This is an issue that deserves full and complete debate. Unfortunately, a number of folks, for political strategy reasons—particularly the leaders in the House and also President Bush, I suspect—have been trying to push this issue to the back burner. I do not think we can do that in this context of the deteriorating fiscal health of the Nation. We need to have this debate about the future of Social Security in front of the elections this year so that the American people can express their points of view.

Interestingly, the chairman of the Republican National Committee just this week, Gov. Mark Racicot, said Congress should debate Social Security privatization this year. I embrace that statement and think he is right. As a matter of fact, Mr. LEVIN, the distin-

guished Senator from Michigan, and I have sent a letter commending Governor Racicot for making his statement and encouraging that debate.

Social Security is going to impact every American—those retired today but, more importantly, those who will be retiring in the future.

I call on my colleagues in the House and Senate to get on with this privatization debate so that the public can make its choice whether they believe we ought to pull out and undermine guaranteed benefits that the American public has come to expect.

I do not think they are aware of the nature of some of the recommendations that have come out of the Commission, so-called "Save Social Security," that President Bush put together and came up with its report that would lead to 25- to 45-percent cuts in Social Security benefits.

I come here today to make two points. We have a serious reason to have a debate about the changed conditions of our fiscal policy. They are going to put pressure on a whole series of choices we make. As we go deeper and deeper in debt, and as we erode that \$5.6 trillion that was the basis of how we made our judgments over the last 18 months, and certainly with regard to that tax cut, we need to understand that the world is different today, and it is particularly different as to how we are going to fund and secure Social Security in the months, years, and decades ahead. I, for one, think we need to get on with that debate, a fair debate, because it is important for the American people to participate in that process.

I hope all of us will stand up for those issues in which we believe. I certainly do, and I believe my colleagues on this side of the aisle believe strongly that Social Security should be placed first in our fiscal priorities, right after securing our national security and national defense.

Those are the points I wanted to make because I believe the numbers are real, they are telling, and they make it very clear that we need to have this overall review of our fiscal strategy in the context of a very seriously deteriorating situation.

I thank you, Mr. President, for this opportunity.

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. DORGAN. I ask unanimous consent that the order for the quorum call be rescinded.

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

ANDEAN TRADE PREFERENCE ACT—MOTION TO PROCEED

Mr. DORGAN. Mr. President, my understanding is a cloture motion has been filed on the motion to proceed on the Andean trade bill; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. And a cloture vote will occur on what date?

The PRESIDING OFFICER. The cloture vote will occur on the next day of session.

Mr. DORGAN. I will spend a few moments today saying a few words about the trade bill. We are now going to segue into a big debate about international trade. It comes by way of the Andean trade initiative, which will be amended with the Trade Adjustment Assistance Act, and then amended further, I understand, by something called Trade Promotion Authority, or TPA. TPA is a euphemism for what has traditionally been called fast-track trade authority. I am opposed to it, and I will describe why and what it has meant to our country in recent years.

The Constitution of the United States has something to say about international trade, at article I, section 8: "The Congress shall have Power . . . To regulate Commerce with foreign Nations. . . ."

It doesn't say "the President"; it doesn't say "the U.S. trade ambassador"; it doesn't say a bunch of trade negotiators on an airplane heading to a foreign land to negotiate a trade agreement. It says: "The Congress shall have Power . . . To regulate Commerce with foreign Nations. . . ."

Congress has largely ceded its power on international trade issues to the executive branch. Fast-track trade authority is a mechanism in which Congress is told, after a trade agreement is negotiated and brought back here, you have no right to offer one amendment, not even one amendment. Up or down, yes or no, expedited procedures, but no amendments.

That is fast track. It is the Congress saying: let's get together and handcuff ourselves. We have done it five times. Now we are prepared to do it again. I didn't support giving fast-track trade authority to President Clinton, I don't support giving it to President George W. Bush and I intend to explain why.

Will Rogers once said that the United States of America has never lost a war and never won a conference. He surely must have been speaking about international trade. When we talk about recent trade agreements, in almost every circumstance, we have given away too much and gotten too little.

Those who come to this floor of the Senate and talk about trade are always saying, the whole purpose of trade is to strike down the barriers in foreign markets that prevent American goods from getting into foreign markets. Were that the case, I would say good for us. I aspire to that goal. That is what we should be doing. We don't get enough pork into China. We don't get enough beef into Japan. We don't get enough cars into Korea. We don't get enough grain into Canada. We don't get enough high fructose sugar or sweetener into Mexico. We don't get enough wheat flour into Europe. I can talk

about the barriers. They are chronicled in a book that is inches thick.

What happens with international trade when we have another trade agreement? Our trade deficit goes up, up, up, and up, to the point that we now have a merchandise trade deficit that is well over \$400 billion a year. Every single day in this country we experience a trade deficit of well over \$1 billion more coming in than we export.

Is that helpful to our country? It is the largest trade deficit in human history. Nobody seems to care much about it. Is it helpful to our country? No, it weakens our country.

Let me describe one of the trade agreements we negotiated and see what happened with that trade agreement. We negotiated a trade agreement with Canada and Mexico. It was called NAFTA, North American Free Trade Agreement. We had all these economists telling us it would create hundreds of thousands of new jobs, what a wonderful thing it would be.

When we negotiated it, we had a slight trade surplus with Mexico and a modest trade deficit with Canada. That was in 1993. Eight years later, we have a huge deficit with Mexico and a giant deficit with Canada. Has that trade agreement worked out? Has that been in our country's best interests? I don't think so.

Incidentally, currency fluctuations immediately emasculated these trade agreements. The high U.S. dollar against the Canadian dollar and the devaluation of the Mexican peso just emasculated NAFTA, as far as our trade with those countries is concerned. But that is an issue for another day.

My point is this: When we negotiate bad trade agreements and then we have some difficulty, we do not have the backbone or nerve as a country to stand up and say: Wait, on behalf of our American companies and workers, we demand fair trade. We will compete with anybody at any time, but we demand fair trade.

Let me give an example of how we behave.

Europe is upset with us about a recent 201 case, so Europe threatens retaliation. Do you know what Europe says it is going to retaliate on? Steel, textiles, and citrus products. Europe is going to get tough, they say.

So we have a trade dispute with Europe over beef exports, and it is our turn to threaten Europe with retaliation. Even the WTO says that we are authorized to retaliate, and we get to pick the products with which to retaliate. Do you know what our negotiators choose to retaliate on? Truffles, goose liver, and Roquefort cheese. The Europeans are still laughing over that one. And not surprisingly, our retaliation on truffles, goose liver, and Roquefort cheese has not done anything to get the Europeans to open up their markets to U.S. beef.

My point is we don't have the backbone and the will, as a country, to say

to Europe, Japan, Korea, Canada, Mexico, China: We want to trade with you. Our country seeks free trade, open trade, and fair trade. Our market is open to your producers. God bless you; come in. Our consumers appreciate your goods. By all means, our markets are open to you. But your markets must be open to American producers as well—they must. If they are not, then you sell your goods in Kinshasa, in the Congo, and see how quickly they sell. The condition of access to the American marketplace must be fair trade; you must allow American goods into your marketplace.

Let me give an example with respect to Korea. I have talked about this before, and recently I received a letter from an association of Korean auto manufacturers, who are upset with me.

Last year, Korea sent 618,000 Korean automobiles to be sold in the United States of America. That is fine with me. Hyundais, Daewoos, I am sure they are fine cars—618,000 cars were manufactured in Korea and sent to the United States.

Do you know how many automobiles the United States was able to sell in Korea last year? It was 2,800. For every 217 cars that the Koreans shipped to our country, we were able to sell just one in Korea. Why? The letters from the Korean automobile organization say: You are just not competitive here; you are making the wrong kind of cars. But that is not it. They just don't want American cars in Korea.

Let me show you the market share. This chart shows the market share of automobiles in Korea. This will tell the story: 99.4 percent of the Korean marketplace for automobiles is for Korean automobiles. Why? Because that country says: We want only Korean automobiles sold inside our country.

They are interested in creating jobs in Korea to ship their cars to us and access our marketplace, but not interested in allowing our car manufacturers and auto workers to access their marketplace. Fair trade? I don't think so. Is anybody running around here trying to figure out how to fix that? I don't see any progress where it counts.

How about the issue of Brazilian sugar? Like many countries, we have limits on the importation of sugar, to make sure that our sugar producers are not undermined. But Brazilian sugar gets into our country through a loophole you can literally drive a truck through. Brazilian exporters send their sugar to Canada, where the sugar is loaded into molasses, so it becomes what is called stuffed molasses. The stuffed molasses are shipped to Michigan. The sugar is taken out of the molasses, and then the molasses are shipped back to Canada to get another load of sugar. That is how you move Brazilian sugar into the United States to undermine our sugar producers. Fair trade? No. Is anybody willing to do anything about it? Hardly.

My point is, time after time after time, these trade agreements leave us

in a situation where the trade is unfair—unfair to our companies and unfair to our workers—and our trade officials shrug and say: Tough luck. They just want to go negotiate another new agreement with some other country.

My message is very simple. How about fixing a few of the problems you have created? Just fix a few of the problems that have been created in the last 20 years in international trade for American companies and American workers before you go negotiate a new agreement. Just fix a few.

If someone had demonstrated to me they wanted to fix a few of these problems, I would be here on the floor saying, God bless you, hooray for you. But you can't find anybody interested in fixing them. That is why I don't think we ought to give fast-track trade authority to anybody.

What we ought to do is demand on behalf of our country, with respect to an exploding trade deficit that is going to burden every American citizen and every American child with future obligations that are outrageous—what we ought to do is demand some action on these trade problems.

Our negotiators just want to negotiate new trade deals. It's what they enjoy. I would suggest that they wear jerseys, like they do in the Olympics, that say "USA." I think our trade representatives would benefit by being able to look down, from time to time, and see whom they represent. Judging from the trade deals they have negotiated in the past, I am not hopeful.

Let me tell you of my firsthand experience with that. I have mentioned many times previously my experience with Canada. I was serving in the House of Representatives, at the time that we negotiated a United States-Canada free trade agreement. A Trade Ambassador named Clayton Yeutter led the negotiations, and then other negotiators in USTR completed the deal. They came back and said what a terrific deal for America, what a wonderful thing this United States-Canada free trade agreement is.

The deal was brought to the Congress under fast-track trading authority for a vote. The vote in the Ways and Means Committee was 34 in favor and one against, and I cast the single vote against the deal. I was told by everybody that it was imperative to get a unanimous vote in this committee for this United States-Canada free trade agreement. But I still voted against it.

Why? Because what these negotiators have done is to pull the rug out from under our family farmers. They have weakened the trade remedies for unfair trade. They have pulled the rug out from under us, and shame on them. I voted against it. But the agreement passed overwhelmingly.

Almost immediately, an avalanche of unfairly subsidized Canadian grain came rushing across the border, sold to us by the Canadian Wheat Board, a monopoly which would be illegal in this country. The Canadian Wheat Board

just flooded America with durum wheat.

As I have explained many times on the floor of the Senate, one day I went to the border with a man named Earl Jenson in a 12-year-old little orange truck with 200 bushels of durum wheat, raised on his farm in North Dakota, to take it across the border into Canada. All the way to the border were all these 18-wheeler trucks going south, dumping this grain into our marketplace. I bet we saw 20 to 25 18-wheel trucks in a matter of a half-hour bringing Canadian grain south.

But when we got to the border in that little 12-year-old orange truck, to try to take a small amount of durum into Canada, we were turned back. We could not do it.

Unfair trade? You bet you life it is unfair. It has been hurting our family farmers for years. No one is willing to do much about it.

Our trade ambassador just went through a long process investigating this, along with the International Trade Commission. USTR concluded that, yes, indeed, Canada is guilty of unfair trade—over a decade after we passed the U.S.-Canada Free Trade Agreement. Yes, Canada is guilty of unfair trade; but what is the USTR doing about it? The USTR says that it will take Canada to the WTO. Which means that maybe your great grandchildren will see results—but maybe not—decades and decades into the future.

The fact is, once again, our country lacks the will, the nerve, and the backbone to stand up for American producers. The question is, when can our country expect that our Government will stand up for its interests? When will we tell our trading partners, you had better treat our producers, our companies, and our workers fairly because we will treat you like you treat us. If your market is wide open to us, then our market is wide open to you; but if it is not, then this country is prepared to protect and support its companies and its workers.

This country has fought for 75 and 100 years for some basic principles about fairness in the workplace. We have had people die on the streets in this country because of violence over the issue of the right to organize as a labor union. We have had a major battle over the question of child labor laws, major confrontations over the issues of whether a manufacturing plant can dump chemicals into the water and pollutants into the air. Big battles about issues such as the minimum wage.

So after many decades of hard-fought labor struggles, we now have a country in which you can organize. Labor can organize a union in this country. We must have safe workplaces. We will not allow people to hire 12-year-old children, pay them 12 cents an hour, and work them 12 hours a day in this country. We will not allow that. The question is, will we allow the importation of products that come from a country

that has 12-year-old kids, working 12 hours a day, paying them 12 cents an hour?

A group of us, when we consider the trade issue next week, will offer a range of amendments dealing with those issues: labor issues, environmental issues.

I am going to offer an amendment that deals with the issue of secrecy. The NAFTA tribunals that consider claims by foreign investors are still conducted secretly. This country should not be involved in secret tribunals. There is a responsibility to have those tribunals open, so people can see what is done in those dispute tribunals. I will have an amendment on that.

I regret that so-called trade promotion authority—TPA, as they call it, which is a euphemism for fast track—is brought to this floor as an amendment to an Andean trade bill. This is a very big issue. Having the Congress tie its hands and be unable to offer an amendment, as I was unable to do with the U.S.-Canada Free Trade Agreement, is not in the Congress' interest or the country's interest, in my judgment.

Had I been able to offer an amendment to the U.S.-Canada Free Trade Agreement some years ago, we probably would not have the kind of trade problems we now have, many with Canada in the area of agriculture.

We have used so-called fast-track trade authority five times. But we have negotiated many trade agreements without fast-track trade authority. Those who say you must have this to negotiate a trade agreement are just wrong.

We used fast track to negotiate, the Tokyo round of GATT, U.S.-Israel, U.S.-Canada, NAFTA, and WTO. I must say that after the last three, and also the GATT Tokyo round, we have seen a much, much larger trade deficit. We are not gaining ground; we are losing ground.

The question for this country and this Congress, as it confronts this issue in coming days, is, will we decide to handcuff ourselves and put us right back in the same position, where someone will negotiate an agreement in secret, bring it here, and say, "Oh, by the way, you have no right to amend it"? I hope we do not do that.

We have not used procedures that prevent amendments even on such things as nuclear arms agreements, which are very important, large issues. We have never had expedited procedures that prevent someone from offering an amendment, even on the most complicated nuclear arms control procedures and agreements we had with the old Soviet Union, and others.

So I do not think that we ought to consider granting fast-track authority to this President. As I said, I did not support giving it to the last President. I don't support giving it to this President.

What I would like to see, instead of fast track, is a demonstration on the

part of the administration and our trade authorities to decide they are going to fix some problems—just a few; I am not asking them to fix a lot of problems—demonstrate their interest in fixing some problems, and clean up the mess that was made, rather than running out to create a new mess.

I feel as strongly as anybody in this Chamber, I want China's market to be open to us, I want Japan's market to be open to us, and I want the European and Korean markets to be open to us, and, yes, Canada and Mexico as well. The fact is, they are not open to us now, and they are restrictive on a range of our products. The negotiations that we engage in, by and large, have not forced those markets open. The negotiations have not been successful.

I think it is time for our country to try something different. We ought to have, as I said, a little backbone to stand up to these countries and say: If you are not going to allow our products into your marketplace, then, my friends, your products are not coming into ours. It is that simple. It is not about being punitive or about building walls or about retarding expanded trade that most of us want. It is just about prying open foreign markets.

You will not do that by being weak. You will only do it by being strong. And it is not being strong to send the same negotiators out to negotiate the same soft-headed kind of agreements we have had for decades, and then bring it back here and say: Oh, by the way, none of you men and women serving in Congress have a right to offer an amendment, not a single one. That is not being strong or thoughtful. That is being thoughtless in a way that, in my judgment, jeopardizes this country's long-term economic interest.

So, we will have a lot more to say about this subject next week when we turn to the specific issue, first on a cloture vote on the motion to proceed to the Andean trade bill, and then on subsequent cloture votes. There will be a great deal of debate. But, in the end, my hope is that enough Senators will agree that it is time for this country to do something different in forcing open foreign markets and forcing the components of fair trade to be central to our trade relationships with other countries.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, we have completed our difficult week, but we were able to complete the energy bill. I remind everybody that last night I proffered, on behalf of the majority, efforts to move forward with hate crimes legislation. That was objected to: And

also the terrorism legislation, which was objected to. We will renew the requests next week.

We believe the time has long since passed that we should have hate crimes legislation that becomes law in this country. Certainly, with all we have heard from the insurance industry, the real estate industry, and the financial industry around this country, it is high time we did something with the terrorism insurance that they have indicated is so badly needed. So we would be ready next week to move forward on that. I am disappointed that we do not already have an agreement that would allow us to move on that next week. It is certainly something that should be done.

The majority leader has, in the past month or so, been able to do dual-track legislation. As a result, we were able to get some action taken. During the time we were doing the energy bill, we passed the border security legislation. We also passed the election reform legislation while we were working on the energy bill. So the mere fact that we are going to the trade bill should not, in any way, stop us from beginning and completing work on hate crimes legislation and certainly the terrorism legislation.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that we proceed to a period of morning business, with Senators permitted to speak therein for a period not to exceed 5 minutes each.

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

ADDITIONAL STATEMENTS

REGARDING THE CAREER OF JEFFREY KOPLAN M.D.

• Mr. HARKIN. I come to the floor today to recognize the accomplishments of an outstanding public servant, Dr. Jeffrey P. Koplan.

While it is a great loss to the Federal Government that he is leaving the Directorship of the Centers for Disease Control and Prevention, it is through his successful 26 years of public service that we have a healthier nation and world today.

I have come to know Dr. Koplan over the past 3½ years, during which he has so admirably led our country's premier disease prevention agency. I can say without reservation that you could not find a person with greater conviction and integrity. Dr. Koplan was the founding Director of the National Center for Chronic Disease Prevention and Health Promotion. As such, he led the nation to recognize the critical need for strong public health programs to address these leading causes of death and disability.

During his tenure, CDC has worked with a myriad of partners to raise and sustain immunization coverage levels

to unprecedented levels. That effort has resulted in the lowest number of vaccine-preventable disease cases ever recorded for many diseases. In fact, during Dr. Koplan's watch, measles transmission in the United States was interrupted for the first time ever. I do not have the time to list all of Dr. Koplan's accomplishments, but these few highlight the reasons that Senator SPECTER and I have worked so closely with Dr. Koplan in funding the Centers for Disease Control and Prevention. He has been a model of cooperation between all levels and types of government working together to meet the needs of the nation.

On the personal side, I have come to know Dr. Koplan as: A man of great integrity and a scientist of great distinction; always putting the protection of people's health first—willing to make difficult decisions and take action on the basis of the best science available; recognizing the global dimensions of health—that infectious diseases, environmental hazards, bioterrorism, and chronic illnesses cross all borders—so we must learn from other countries and lend our support to them; and well known for his quick wit, extensive grasp of health issues, and complete dedication to CDC and its mission of protecting the health and safety, not only of all Americans, but the people of the world.

It is with regret and admiration that I say farewell to Dr. Koplan. He will be a hard act to follow.

Mr. SPECTER. I would like to echo the comments of my partner on the Appropriations Committee. Over the years, Senator HARKIN and I have funded the Centers for Disease Control and Prevention and we've been able to watch its growth under the able leadership of Dr. Jeffrey Koplan.

Let me list for you just a few of his many successes while working at CDC and as its Director.

Perhaps most important was Dr. Koplan's ambitious and much-needed campaign to upgrade CDC's buildings and facilities, enabling the agency to better protect the nation's health and safety. He invited Senator HARKIN and I to visit the CDC labs in Atlanta, where we found our nation's laboratories in a deplorable condition. We've been happy to support his effort to upgrade these facilities and, if any of you had the same opportunity to visit the CDC labs, I'm sure you'll agree that this effort was long overdue and will serve this country well for years to come.

Dr. Koplan had many other accomplishments during his tenure at CDC including the establishment of a system that will take the pulse of our nation's health through a quick computerized disease reporting system to which local health departments will be linked; focusing the nation's attention on the obesity and diabetes epidemics threatening the health of millions of Americans; and summarizing patterns of tobacco use among women and

called for stronger national and local efforts to implement proven solutions to reduce and prevent tobacco use among women and girls.

Over the past two years, the CDC has aided State, local and international health authorities over 200 times, to investigate outbreaks of disease, including anthrax, West Nile Virus, Ebola, tuberculosis, sexually transmitted diseases, lead poisoning, birth defect clusters, homicide-suicide clusters, nutritional deficiencies, and flood-related illnesses. The CDC, along with NIH and FDA, initiated a new plan to prevent bovine spongiform encephalopathy, also known as "mad cow" disease, from affecting the U.S. food supply. As a result, the U.S. has one of the safest food supplies in the world.

Last but certainly not least, Dr. Koplan led our nation's public health authorities in becoming better prepared to respond quickly and effectively to a bioterrorist attack on this country. And, indeed, he was our country's public health leader during the first such attack, working around the clock to prevent people exposed to anthrax from developing the disease. Because this was a new reality for our nation, Dr. Koplan placed special emphasis on learning every lesson possible from the experience so that we are now better prepared should we face another attack.

I commend him for all that he has done to protect the health and well-being of the American people. I wish him well.●

HEALTH CARE HEROES

● Mr. SMITH of Oregon. Mr. President, I rise today to pay tribute to some of the health care heroes in my home state of Oregon. This week, I want to recognize the hard working people who staff the Merrill Clinic, in Merrill, Oregon.

The Merrill Clinic was started in October 1996 after its founder, Michael A. Sheets, retired as a commissioned officer in the U.S. Public Health Service. Before coming to Merrill, Mr. Sheets spent a number of years providing health care to underserved people all over the country. He has served on Indian reservations, attended to victims of mine disasters in Kentucky, and aided people involved in car accidents miles away from ambulance service. Upon arriving in Merrill, Mr. Sheets recognized that he was once again in a position to make a difference in the lives of people who lack access to high quality health care, and he started the Merrill Clinic. Prior to the opening of the Merrill Clinic, the people of Merrill had gone without a local clinic for 15 years.

The Merrill Clinic comes from humble beginnings. One early patient at the clinic paid for his services with a 6-pound trout. Now the clinic serves people from as far as 90 miles away—people for whom the Merrill Clinic is their first access to care. Last year alone,

8600 patients came to the clinic and its branch office in Bonanza, Oregon, to receive suturing, casting, biopsies, well child checks, family planning, and mental health services. Such services were previously out of reach for many of those 8600 patients. Even though the clinic serves so many from so far away, the clinic's 7 staff members find time to make house calls.

In recent months, the Merrill Clinic has provided much more than health care. Last year, during the height of the terrible drought and recession in the Klamath Falls area, one patient at the clinic mentioned that she knew of three families that had not eaten in several days. Mr. Sheets immediately enlisted the help of the Klamath and Lake County food banks and local volunteers to set up a makeshift food bank in the back of the clinic. While volunteers like the Lost River High School football team unloaded food from delivery trucks and operated the food bank during the day, the Merrill Clinic staff continued to attend to the health care needs of local patients. The Merrill Clinic food bank, run out of a small kitchen, served as many as 300 people in a single day.

I believe that each and every staff member at the Merrill Clinic is a health care hero. The people at the Merrill Clinic are those rare professionals who expand their duties to meet the many needs of the community they serve. I believe that Mr. Sheets and his staff are to be commended for the pioneering work they do in Merrill and the surrounding area, and salute them as heroes for Oregon.●

RECOGNIZING THE HISTORY OF THE TOWN OF RIDGEFIELD, CONNECTICUT

● Mr. DODD. Mr. President, I rise today to recognize the town of Ridgefield, Connecticut, as it celebrates its rich historic and cultural heritage. Located in Southwestern Connecticut, Ridgefield was established by Norwalk settlers in 1708 on twenty-three square miles purchased from the Ramapoo Indian chief Catoohnah. A year later the town was chartered by the Connecticut General Assembly. At its founding, Ridgefield was a small town of farmers organized along a remarkable 8 mile long main street, then called Town Street. Slowly, shops and public buildings began to spring up on Town Street, including the Keeler Tavern, founded in 1772, which served as a meeting-place for the early Colonial settlers, and an inn for tired travelers. Indeed, the Keeler Tavern, which coincidentally still stands today as a museum, was a place for lively debate among Loyalists and Patriots in the nascent days of the Revolution, and became a meeting place for early Revolutionaries.

As Keith Jones, a town historian, has reported, on April 27, 1777, the Revolution arrived at the doorstep of the Keeler Tavern, as the village of

Ridgefield became host to Connecticut's only in-land battle of the war. On that date, a small band of revolutionary colonists led by General Gold Selleck Sillman and General Benedict Arnold, before his traitorous switch to the British, arrived on Town Street shortly before noon with 500 Fairfield County men where they joined forces with Colonel Philip Burr Bradley and other troops from the Ridgefield-based 5th Connecticut line and the recently formed 1st Ridgefield militia. General Arnold quickly took command, and a barricade was formed on the north end of Town Street to await the British troops under General William Tryon who were advancing Southward from Danbury to retreat from the advancing Patriot Major General David Wooster who was closing in from the East.

The three forces engaged in what has now become commonly known as the Battle of Ridgefield. The fighting was fierce, with casualties on both sides, including the mortal wounding of General Wooster. In hours, British reinforcements joined Tryon's beleaguered forces, greatly outnumbering the Patriots while advancing on the barricade. Superior numbers carried the day, and the British stormed down Town Street, seizing the town. With 12 dead, and 24 wounded, General Arnold ordered the Patriots retreat. As he moved his troops back, Arnold's horse was shot out from underneath him, pinning him to the ground. He escaped and made it to rendezvous with supporters the next day.

Despite the valiant efforts of the Patriots, the battle was a clear victory for the British who encamped South of town after burning six homes and the Episcopal church. On the way out of town, the British fired on the Keeler Tavern a few times, after having correctly learned that musket balls were being made in the basement. That day, a small cannonball was fired into the walls of the tavern, and today, the cannonball is still embedded in one of the corner posts of the Keeler Tavern. Word of the battle of Ridgefield spread quickly, and within six hours of the British army's departure, thousands of Patriot soldiers poured into the area to block future British attacks. They were successful in deterring new attacks, and no more inland battles were waged in Connecticut.

Beginning in 1877, Ridgefielders have held some form of ceremony remembering the battle every 25 years. This year, on the 225th anniversary of the battle, the town is planning an ambitious program called "Patriot Weekend." This weekend will include Revolutionary war storytelling for children, historical fact scavenger hunts, special theatrical performances, and a period craft fair. In addition, the Keeler Tavern will host a special exhibit of battle artifacts. Capping off the weekend, a large-scale recreation of the Battle of Ridgefield, complete with black-powder musketry, will be conducted by the Brigade of the American Revolution.

Over 130 units representing all the various infantry, cavalry, artillery, artificers, and musicians of the war, will recreate the military tactics and maneuvers of the battle in painstakingly reproduced clothing, weapons, and gear. This will be a truly amazing spectacle, and one that brings the rich history of Ridgefield, and Connecticut, alive.

Ridgefielders are justly proud of their heritage, and I commend them for organizing this truly remarkable historic celebration. What began as a small farming town in the 1700's grew to become a weekend retreat for New Yorkers in the 1900's, and is now a vibrant town of 23,000. Historic Town Street, now called Main Street, still houses small shops and restaurants, and signs mark the locations of the key points of this exciting battle, while the world-renowned Aldrich Museum of Contemporary Art looks forward to the future. Connecticut is fortunate to be home to such rich cultural treasures as the town of Ridgefield, and I would like to take this opportunity to publicly express my commendation for this weekend's activities.●

LOCAL LAW ENFORCEMENT ACT OF 2001

● Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred December 25, 1995 in San Diego, CA. Six patrons at a gay bar were beaten with pool sticks. The attackers, three men, were heard to yell anti-gay epithets.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.●

MESSAGE FROM THE HOUSE

At 12:22 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 3231. An act to replace the Immigration and Naturalization Service with the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement, and for other purposes.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3231. An act to replace the Immigration and Naturalization Service with the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement, and for other purposes; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mrs. FEINSTEIN:

S. 2336. A bill to provide for the reliquidation of certain steel wire rope entires; to the Committee on Finance.

By Mr. CLELAND:

S. 2337. A bill to reduce temporarily the duty on certain textile machinery; to the Committee on Finance.

By Mr. CLELAND:

S. 2338. A bill to suspend temporarily the duty on certain textile machinery; to the Committee on Finance.

By Mr. KERRY:

S. 2339. A bill to amend the Internal Revenue Code of 1986 to curb tax abuses by disallowing tax benefits claimed to arise from transactions without substantial economic substance, to curb tax abuses involving identified tax havens, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2340. A bill to suspend temporarily the duty on Methyl Cinnamate (methyl-3-phenylpropenoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2341. A bill to suspend temporarily the duty on Allyl Cyclo Hexyl Propionate (Allyl hexahydro phenylpropionate); to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2342. A bill to suspend temporarily the duty on Polydimethylsiloxane; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2343. A bill to suspend temporarily the duty on Baysilone Fluid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2344. A bill to suspend temporarily the duty on P-Nitro Toluene-O-Sulfonic Acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2345. A bill to suspend temporarily the duty on Fluorobenzene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2346. A bill to extend the temporary suspension of duty with respect to meta-Chlorobenzaldehyde; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2347. A bill to extend the temporary suspension of duty with respect to 2, 6, Dichlorotoluene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2348. A bill to extend the temporary suspension of duty with respect to 4-bromo-2-fluoroacetanilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2349. A bill to suspend temporarily the duty on Methoxy acetic acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2350. A bill to extend the temporary suspension of duty with respect to Propiophenone; to the Committee on Finance.

By Mr. THURMOND:

S. 2351. A bill to suspend temporarily the duty on Ethanediamide, N-(2-ethoxyphenyl)-N'-(4-isodecylphenyl)-; to the Committee on Finance.

By Mr. THURMOND:

S. 2352. A bill to suspend temporarily the duty on 1-Acetyl-4-(3-Dodecyl-2), 5-Dioxo-1-Pyrrolidinyl-2,2,6,6-Tetramethyl-Piperidine; to the Committee on Finance.

By Mr. THURMOND:

S. 2353. A bill to suspend temporarily the duty on Aryl phosphonite; to the Committee on Finance.

By Mr. THURMOND:

S. 2354. A bill to suspend temporarily the duty on Mono octyl malonate; to the Committee on Finance.

By Mr. THURMOND:

S. 2355. A bill to suspend temporarily the duty on 3,6,9-Trioxaundecanedioic acid; to the Committee on Finance.

By Mr. THURMOND:

S. 2356. A bill to suspend temporarily the duty on Crotonic acid; to the Committee on Finance.

By Mr. THURMOND:

S. 2357. A bill to suspend temporarily the duty on 1,3-Benzenedicarboxamide, N, N'-Bis (2,2,6,6-tetramethyl-4-piperidinyl)-; to the Committee on Finance.

By Mr. THURMOND:

S. 2358. A bill to suspend temporarily the duty on 3-Dodecyl-2,2,6,6-tetramethyl-4-piperidinyl-2,5-pyrrolidinedione; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2359. A bill to suspend temporarily the duty with respect to Oxalic Anilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2360. A bill to suspend temporarily the duty on Reduced Vat Blue 43; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2361. A bill to suspend temporarily the duty on N-Methyl diisopropanolamine; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2362. A bill to suspend temporarily the duty on Sulfur Black 1; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2363. A bill to suspend temporarily the duty on Phenyl Propyl Alcohol (Benzyl ethyl alcohol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2364. A bill to suspend temporarily the duty on Benzyl Cinnamate (Benzyl beta phenylacrylate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2365. A bill to suspend temporarily the duty on Thymol (alpha-Cymophenol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2366. A bill to suspend temporarily the duty on Methyl Acetophenone-para (Melilot); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2367. A bill to suspend temporarily the duty on Frescolate (5-Methyl 2-(methylethyl)cyclohexyl alpha-hydroxypropanoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2368. A bill to suspend temporarily the duty on Trimethyl Cyclo Hexanol (1-Methyl-3,3-dimethylcyclohexanol-5); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2369. A bill to suspend temporarily the duty on Allinat (Allyl isosulfocyanate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2370. A bill to suspend temporarily the duty on Acetanisol (Anisyl Methyl Ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2371. A bill to suspend temporarily the duty on NeoHeliopan MA (Menthyl Anthranilate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2372. A bill to suspend temporarily the duty on Majantol (2,2-Dimethyl-3-(3-methylphenyl)propanol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2373. A bill to suspend temporarily the duty on Agrumex (o-t-Butyl cyclohexanol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2374. A bill to suspend temporarily the duty on Globanone (Cyclohexadec-8-en-1-one) (CHD); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2375. A bill to suspend temporarily the duty on Benzyl Acetone (Methyl-phenylethyl ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2376. A bill to suspend temporarily the duty on Sodium Methylate Powder (Na Methylate Powder); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2377. A bill to suspend temporarily the duty on NeoHeliopan Hydro (2-Phenylbenzimidazole-5-sulfonic acid); to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KERRY:

S. 2339. A bill to amend the Internal Revenue Code of 1986 to curb tax abuses by disallowing tax benefits claimed to arise from transactions without substantial economic substance, to curb tax abuses involving identified tax havens, and for other purposes; to the Committee on Finance.

• Mr. KERRY. Mr. President, the recent demise of Enron Corporation has generated national attention and shed light on an alarming trend. A growing number of corporations and individuals are exploiting tax havens in the Caribbean and elsewhere to evade and avoid paying taxes.

Often cloaked in a web of bank secrecy and taxpayer privacy, businesses and individuals operating in offshore

financial centers create sham corporations and partnerships. By sheltering tax-dodgers and tax cheats, these overseas tax havens undermine confidence and trust in our Federal Government. The spread of illegal tax haven activity punishes those who play by the rules. The end result is higher taxes on the little guy—those who comply with the law. They are stuck paying the tab, forced to make up for the lost revenue through unnecessarily high taxes.

The vast majority of American businesses and individuals do not engage in abusive tax schemes. These taxpayers' activities will be unaffected by the Tax Haven and Abusive Tax Shelter Reform Act of 2002. The legislation will not stand in the way of legitimate tax planning and business activity. However, the bill will create real consequences for those individuals who flout the law, and those businesses who engage in transactions with no real business purpose other than generating artificial losses and deductions.

The exact details of Enron's tax avoidance practices are still under investigation by the Senate Finance Committee. What we do know is the energy conglomerate held over 800 subsidiaries in tax haven jurisdictions. Enron created 692 subsidiaries in the Cayman Islands alone. Through the use of sophisticated financial instruments, at least one analyst estimates Enron was able to avoid income taxes in four of the last five years.

Enron is not alone. The use of offshore tax havens by corporations and wealthy individuals is widespread. Through accounting tricks and tax loopholes, large companies not only avoid corporate income taxes, they claim sizable tax refunds. In a typical example, a corporation establishes a foreign subsidiary not subject to American taxes, shifts profits to the subsidiary which then sends them back to the parent corporation in a form that is considered not taxable under U.S. law.

While some corporations use loopholes to skirt the edges of the law, other individuals use tax havens outright illegally. The Internet has simplified the process of launching a corporation or opening an account offshore. While Americans are taxed on their worldwide earnings, individuals operating in offshore financial centers gamble that the IRS will never uncover their overseas income.

Taxpayers select tax havens because they offer little or no taxation on income in their jurisdiction and have privacy rules that help taxpayers hide what they are doing. Once the transfers are established, income is often repatriated back to the U.S. owners through loans, credit cards, or debit cards. By using complex transactions and multiple entities, the individuals using these schemes hide their income and avoid potential tax liabilities.

The scope of the problem is daunting. Assets in offshore entities have climbed from an estimated \$200 billion

in 1983, to an estimated \$5 trillion today. One private sector estimate suggests the use of tax havens to illegally shelter income results in the loss of \$70 billion annually. The IRS estimates that in tax year 2000, about 740,000 taxpayers used abusive schemes, both domestic and offshore.

Clearly, Congress must act to restore public confidence in our federal tax system. We can start by ensuring that honest, middle-class Americans are not the only ones left holding the bill. Unfortunately, the Bush administration has shied away from aggressively attacking tax evasion. Last May, Treasury Secretary Paul O'Neill voiced support for abolishing the corporate income tax. The Treasury Department recently fought to water down an international campaign to reform tax haven practices led by the Organization for Economic Cooperation and Development, OECD. Last fall, the Administration sought to repeal the corporate alternative minimum tax, a tax designed to ensure that large corporations do not entirely escape taxation.

Exempting our Nation's largest firms from taxation altogether is not the answer. On the contrary, Congress should take steps to ensure that criminal tax evasion is detected and addressed accordingly. The Tax Haven and Abusive Tax Shelter Reform Act of 2002 would impose strict measures against nations identified as uncooperative tax havens those which use confidentiality rules and practices to undermine tax enforcement and administration or refuse to participate in effective information exchange agreements. The legislation would limit foreign tax credits claimed by taxpayers operating in uncooperative tax havens. It would require a strict reporting of outbound transfers by U.S. taxpayers. The bill imposes a new civil penalty on U.S. taxpayers who fail to report an interest in an offshore account. Finally, it mandates a comprehensive review of the offshore tax evasion problem, including specific mechanisms used by taxpayers to shelter income and assets. By imposing real consequences for jurisdictions which are identified as uncooperative tax havens, the bill pierces the veil of secrecy which shields tax cheats from scrutiny and provides a strong incentive for otherwise uncooperative tax havens to enter into commitments with the United States to reform their practices.

The peddling of abusive corporate tax shelters also demands attention. Prepackaged, tax-motivated transactions with no real economic risk or business purpose—but which capitalize on technical ambiguities in the tax code—are sold to corporations by creative practitioners to generate artificial losses and deductions. Provisions in the Tax Haven and Abusive Tax Shelter Reform Act of 2002, identical to those introduced in the House by Rep. LLOYD DOGGETT, D-TX, would disallow tax benefits from transactions that have no real business purpose other than tax

savings. In addition, they expand disclosure requirements so that the IRS is fully aware of dubious tax schemes and tighten penalties against gross underpayments resulting from illegal tax shelters.

A tax system which asks working families to pay their fair share, but gives large corporations such as Enron a free ride, is a national disgrace. And as tax havens and shelters proliferate, confidence in the integrity and fairness of our tax system and government declines. Middle-class families rightly conclude that our own government cannot effectively enforce its laws. The administration, while proposing new disclosure requirements, has offered little in the way of substantive changes to alter the tax treatment of transactions which clearly serve no real business purpose other than tax avoidance. Furthermore, the administration has undermined international efforts to aggressively address sheltering activity in tax havens. The Tax Haven and Abusive Tax Shelter Reform Act of 2002 is the first step in what will surely be a long road to restoring the confidence and faith of the vast majority of hard-working, law-abiding Americans who pay taxes on every dollar they earn. I urge my colleagues to join me in this effort, and I ask that a summary of the legislation as well as the full text of the bill be printed in the RECORD.

The material follows:

S. 2339

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 "Tax Haven and Abusive Tax Shelter Reform Act of 2002".

TITLE I—CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE

SEC. 101. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7701 of the Internal Revenue Code of 1986 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE; ETC.—

"(1) GENERAL RULES.—

"(A) IN GENERAL.—In applying the economic substance doctrine, the determination of whether a transaction has economic substance shall be made as provided in this paragraph.

"(B) DEFINITION OF ECONOMIC SUBSTANCE.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—A transaction has economic substance only if—

"(I) the transaction changes in a meaningful way (apart from Federal income tax effects) the taxpayer's economic position, and

"(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

"(ii) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

"(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value

of the expected net tax benefits that would be allowed if the transaction were respected, and

"(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

"(C) TREATMENT OF FEES AND FOREIGN TAXES.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

"(2) SPECIAL RULES FOR TRANSACTIONS WITH TAX-INDIFFERENT PARTIES.—

"(A) SPECIAL RULES FOR FINANCING TRANSACTIONS.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction are substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

"(B) ARTIFICIAL INCOME SHIFTING AND BASIS ADJUSTMENTS.—The form of a transaction with a tax-indifferent party shall not be respected if—

"(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

"(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

"(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) ECONOMIC SUBSTANCE DOCTRINE.—The term 'economic substance doctrine' means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

"(B) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

"(C) EXCEPTION FOR PERSONAL TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

"(D) TREATMENT OF LESSORS.—In applying subclause (I) of paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease, the expected net tax benefits shall not include the benefits of depreciation, or any tax credit, with respect to the leased property and subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

"(4) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law referred to in section 6662(i)(2), and the requirements of this subsection shall be construed as being in addition to any such other rule of law."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act.

TITLE II—PENALTIES

SEC. 201. INCREASE IN PENALTY ON UNDERPAYMENTS RESULTING FROM FAILURE TO SATISFY CERTAIN COMMON LAW RULES.

(a) IN GENERAL.—Section 6662 of the Internal Revenue Code of 1986 (relating to imposition of accuracy-related penalty) is amended by adding at the end the following new subsection:

"(i) INCREASE IN PENALTY IN CASE OF FAILURE TO SATISFY CERTAIN COMMON LAW RULES.—

"(1) IN GENERAL.—To the extent that an underpayment is attributable to a disallowance described in paragraph (2)—

"(A) subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent', and

"(B) subsection (d)(2)(B) and section 6664(c) shall not apply.

"(2) DISALLOWANCES DESCRIBED.—A disallowance is described in this subsection if such disallowance is on account of—

"(A) a lack of economic substance (within the meaning of section 7701(n)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(n)(2),

"(B) a lack of business purpose for such transaction or because the form of the transaction does not reflect its substance, or

"(C) a failure to meet the requirements of any other similar rule of law.

"(3) INCREASE IN PENALTY NOT TO APPLY IF COMPLIANCE WITH DISCLOSURE REQUIREMENTS.—Paragraph (1)(A) shall not apply if the taxpayer discloses to the Secretary (as such time and in such manner as the Secretary shall prescribe) such information as the Secretary shall prescribe with respect to such transaction."

(b) MODIFICATIONS TO PENALTY ON SUBSTANTIAL UNDERSTATEMENT OF INCOME TAX.—

(1) MODIFICATION OF THRESHOLD.—Subparagraph (A) of section 6662(d)(1) of the Internal Revenue Code of 1986 is amended to read as follows:

"(A) IN GENERAL.—For purposes of this section, there is a substantial understatement of income tax for any taxable year if the amount of the understatement for the taxable year exceeds the lesser of—

"(i) \$500,000, or

"(ii) the greater of 10 percent of the tax required to be shown on the return for the taxable year or \$5,000."

(2) MODIFICATION OF PENALTY ON TAX SHELTERS, ETC.—Clauses (i) and (ii) of section 6662(d)(2)(C) of such Code are amended to read as follows:

"(i) IN GENERAL.—Subparagraph (B) shall not apply to any item attributable to a tax shelter."

"(ii) DETERMINATION OF UNDERSTATEMENTS WITH RESPECT TO TAX SHELTERS, ETC.—In any case in which there are one or more items attributable to a tax shelter, the amount of the understatement under subparagraph (A) shall in no event be less than the amount of understatement which would be determined for the taxable year if all items shown on the return which are not attributable to any tax shelter were treated as being correct. A similar rule shall apply in cases to which subsection (i) applies, whether or not the items are attributable to a tax shelter."

(c) TREATMENT OF AMENDED RETURNS.—Subsection (a) of section 6664 of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: "For purposes of this subsection, an amended return shall be disregarded if such return is filed on or after the date the taxpayer is first contacted by the Secretary regarding the examination of the return."

SEC. 202. PENALTY ON PROMOTERS OF TAX AVOIDANCE STRATEGIES WHICH HAVE NO ECONOMIC SUBSTANCE, ETC.

(a) PENALTY.—

(1) IN GENERAL.—Section 6700 of the Internal Revenue Code of 1986 (relating to promoting abusive tax shelters, etc.) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

“(c) PENALTY ON SUBSTANTIAL PROMOTERS FOR PROMOTING TAX AVOIDANCE STRATEGIES WHICH HAVE NO ECONOMIC SUBSTANCE, ETC.—

“(1) IMPOSITION OF PENALTY.—Any substantial promoter of a tax avoidance strategy shall pay a penalty in the amount determined under paragraph (2) with respect to such strategy if such strategy (or any similar strategy promoted by such promoter) fails to meet the requirements of any rule of law referred to in section 6662(i)(2).

“(2) AMOUNT OF PENALTY.—The penalty under paragraph (1) with respect to a promoter of a tax avoidance strategy is an amount equal to 100 percent of the gross income derived (or to be derived) by such promoter from such strategy.

“(3) TAX AVOIDANCE STRATEGY.—For purposes of this subsection, the term ‘tax avoidance strategy’ means any entity, plan, arrangement, or transaction a significant purpose of the structure of which is the avoidance or evasion of Federal income tax.

“(4) SUBSTANTIAL PROMOTER.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘substantial promoter’ means, with respect to any tax avoidance strategy, any promoter if—

“(i) such promoter offers such strategy to more than 1 potential participant, and

“(ii) such promoter may receive fees in excess of \$500,000 in the aggregate with respect to such strategy.

“(B) AGGREGATION RULES.—For purposes of this paragraph—

“(i) RELATED PERSONS.—A promoter and all persons related to such promoter shall be treated as 1 person who is a promoter.

“(ii) SIMILAR STRATEGIES.—All similar tax avoidance strategies of a promoter shall be treated as 1 tax avoidance strategy.

“(C) PROMOTER.—The term ‘promoter’ means any person who participates in the promotion, offering, or sale of the tax avoidance strategy.

“(D) RELATED PERSON.—Persons are related if they bear a relationship to each other which is described in section 267(b) or 707(b).

“(4) COORDINATION WITH SUBSECTION (a).—No penalty shall be imposed by this subsection on any promoter with respect to a tax avoidance strategy if a penalty is imposed under subsection (a) on such promoter with respect to such strategy.”

(2) CONFORMING AMENDMENT.—Subsection (d) of section 6700 of such Code is amended—

(A) by striking “PENALTY” and inserting “PENALTIES”, and

(B) by striking “penalty” the first place it appears in the text and inserting “penalties”.

(b) INCREASE IN PENALTY ON PROMOTING ABUSIVE TAX SHELTERS.—The first sentence of section 6700(a) of the Internal Revenue Code of 1986 is amended by striking “a penalty equal to” and all that follows and inserting “a penalty equal to the greater of \$1,000 or 100 percent of the gross income derived (or to be derived) by such person from such activity.”

SEC. 203. MODIFICATIONS OF PENALTIES FOR AIDING AND ABETTING UNDERSTATEMENT OF TAX LIABILITY INVOLVING TAX SHELTERS.

(a) IMPOSITION OF PENALTY.—Section 6701(a) of the Internal Revenue Code of 1986 (relating to imposition of penalty) is amended to read as follows:

“(a) IMPOSITION OF PENALTIES.—

“(1) IN GENERAL.—Any person—

“(A) who aids or assists in, procures, or advises with respect to, the preparation or presentation of any portion of a return, affidavit, claim, or other document,

“(B) who knows (or has reason to believe) that such portion will be used in connection with any material matter arising under the internal revenue laws, and

“(C) who knows that such portion (if so used) would result in an understatement of the liability for tax of another person,

shall pay a penalty with respect to each such document in the amount determined under subsection (b).

“(2) CERTAIN TAX SHELTERS.—If—

“(A) any person—

“(i) aids or assists in, procures, or advises with respect to the creation, organization, sale, implementation, management, or reporting of a tax shelter (as defined in section 6662(d)(2)(C)(iii)) or of any entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), and

“(ii) opines, advises, represents, or otherwise indicates (directly or indirectly) that the taxpayer’s tax treatment of items attributable to such tax shelter or such entity, plan, arrangement, or transaction and giving rise to an understatement of tax liability would more likely than not prevail or not give rise to a penalty,

“(B) such opinion, advice, representation, or indication is unreasonable,

then such person shall pay a penalty in the amount determined under subsection (b). If a standard higher than the more likely than not standard was used in any such opinion, advice, representation, or indication, then subparagraph (A)(ii) shall be applied as if such standard were substituted for the more likely than not standard.”

(b) AMOUNT OF PENALTY.—Section 6701(b) of the Internal Revenue Code of 1986 (relating to amount of penalty) is amended—

(1) by inserting “or (3)” after “paragraph (2)” in paragraph (1),

(2) by striking “subsection (a)” each place it appears and inserting “subsection (a)(1)”, and

(3) by redesignating paragraph (3) as paragraph (4) and by adding after paragraph (2) the following new paragraph:

“(3) TAX SHELTERS.—In the case of—

“(A) a penalty imposed by subsection (a)(1) which involves a return, affidavit, claim, or other document relating to a tax shelter or an entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), and

“(B) any penalty imposed by subsection (a)(2),

the amount of the penalty shall be equal to 100 percent of the gross proceeds derived (or to be derived) by the person in connection with the tax shelter or entity, plan, arrangement, or transaction.”

(c) REFERRAL AND PUBLICATION.—If a penalty is imposed under section 6701(a)(2) of the Internal Revenue Code of 1986 (as added by subsection (a)) on any person, the Secretary of the Treasury shall—

(1) notify the Director of Practice of the Internal Revenue Service and any appropriate State licensing authority of the penalty and the circumstances under which it was imposed, and

(2) publish the identity of the person and the fact the penalty was imposed on the person.

(d) CONFORMING AMENDMENTS.—

(1) Section 6701(d) of the Internal Revenue Code of 1986 is amended by striking “Sub-

section (a)” and inserting “Subsection (a)(1)”.

(2) Section 6701(e) of such Code is amended by striking “subsection (a)(1)” and inserting “subsection (a)(1)(A)”.

(3) Section 6701(f) of such Code is amended by inserting “, tax shelter, or entity, plan, arrangement, or transaction” after “document” each place it appears.

SEC. 204. FAILURE TO MAINTAIN LISTS.

Section 6708(a) of the Internal Revenue Code of 1986 (relating to failure to maintain lists of investors in potentially abusive tax shelters) is amended by adding at the end the following: “In the case of a tax shelter (as defined in section 6662(d)(2)(C)(iii)) or entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), the penalty shall be equal to 50 percent of the gross proceeds derived (or to be derived) from each person with respect to which there was a failure and the limitation of the preceding sentence shall not apply.”

SEC. 205. PENALTY FOR FAILING TO DISCLOSE REPORTABLE TRANSACTION.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 (relating to assessable penalties) is amended by inserting after section 6707 the following new section:

“SEC. 6707A. PENALTY FOR FAILURE TO INCLUDE TAX SHELTER INFORMATION WITH RETURN.

“(a) IMPOSITION OF PENALTY.—Any person who fails to include with its return of Federal income tax any information required to be included under section 6011 with respect to a reportable transaction shall pay a penalty in the amount determined under subsection (b). No penalty shall be imposed on any such failure if it is shown that such failure is due to reasonable cause.

“(b) AMOUNT OF PENALTY.—

“(1) IN GENERAL.—The amount of the penalty under subsection (a) shall be equal to the greater of—

“(A) 5 percent of any increase in Federal tax which results from a difference between the taxpayer’s treatment (as shown on its return) of items attributable to the reportable transaction to which the failure relates and the proper tax treatment of such items, or

“(B) \$100,000.

For purposes of subparagraph (A), the last sentence of section 6664(a) shall apply.

“(2) LISTED TRANSACTION.—If the failure under subsection (a) relates to a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011, paragraph (1)(A) shall be applied by substituting ‘10 percent’ for ‘5 percent’.

“(c) REPORTABLE TRANSACTION.—For purposes of this section, the term ‘reportable transaction’ means any transaction with respect to which information is required under section 6011 to be included with a taxpayer’s return of tax because, as determined under regulations prescribed under section 6011, such transaction has characteristics which may be indicative of a tax avoidance transaction.

“(d) COORDINATION WITH OTHER PENALTIES.—The penalty imposed by this section is in addition to any penalty imposed under section 6662.”

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 6707 the following in item:

“Sec. 6707A. Penalty for failure to include tax shelter information on return.”

SEC. 206. REGISTRATION OF CERTAIN TAX SHELTERS WITHOUT CORPORATE PARTICIPANTS.

Section 6111(d)(1)(A) of the Internal Revenue Code of 1986 (relating to certain confidential arrangements treated as tax shelters) is amended by striking "for a direct or indirect participant which is a corporation".

SEC. 207. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), the amendments made by this title shall apply to transactions after the date of the enactment of this Act.

(b) SECTION 201.—The amendments made by subsections (b) and (c) of section 201 shall apply to taxable years ending after the date of the enactment of this Act.

(c) SECTION 202.—The amendments made by subsection (a) of section 202 shall apply to any tax avoidance strategy (as defined in section 6700(c) of the Internal Revenue Code of 1986, as amended by this title) interests in which are offered to potential participants after the date of the enactment of this Act.

(d) SECTION 206.—The amendment made by section 206 shall apply to any tax shelter interest which is offered to potential participants after the date of the enactment of this Act.

TITLE III—DISCOURAGING USE OF IDENTIFIED TAX HAVENS

SEC. 301. REPORTING OF PAYMENTS TO PERSONS IN IDENTIFIED TAX HAVENS.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after section 6038C the following new section:

"SEC. 6038D. PAYMENTS TO PERSONS IN IDENTIFIED TAX HAVENS.

"(a) IN GENERAL.—Each United States person who transfers money or other property directly or indirectly to any identified tax haven or to any person who is a resident of any identified tax haven shall furnish to the Secretary, at such time and in such manner as the Secretary shall by regulations prescribe, such information with respect to such transfer as the Secretary may require in such regulations.

"(b) EXCEPTIONS.—Subsection (a) shall not apply to a transfer by a United States person if—

"(1) the transferee certifies to such person that information about such transfer shall be made available (in such manner and at such time as the Secretary shall prescribe) to the Secretary on request, or

"(2) the amount of money (and the fair market value of property) transferred is less than \$10,000.

Related transfers shall be treated as 1 transfer for purposes of paragraph (2).

"(c) IDENTIFIED TAX HAVEN.—For purposes of this section—

"(1) IN GENERAL.—The term 'identified tax haven' means any foreign jurisdiction which is on the list maintained by the Secretary as being a jurisdiction—

"(A) which imposes no or nominal taxation either generally or on specified classes of income, and

"(B) has strict confidentiality rules and practices, or has ineffective information exchange practices, which effectively limit or restrict the ability of the United States to obtain information relevant to the imposition of taxes under this title.

"(2) INEFFECTIVE INFORMATION EXCHANGE PRACTICES.—For purposes of paragraph (1), a jurisdiction shall be treated as having ineffective information exchange practices during any period during which the Secretary determines that the exchange of information between the United States and such jurisdiction is inadequate to prevent evasion or avoidance of the United States income tax

by United States persons or to permit the effective enforcement of the taxes imposed by this title.

"(d) PENALTY FOR FAILURE TO FILE INFORMATION.—If a United States person fails to furnish the information required by subsection (a) with respect to any transfer within the time prescribed therefor (including extensions), such United States person shall pay (upon notice and demand by the Secretary and in the same manner as tax) an amount equal to 20 percent of the amount of such transfer.

"(e) SIMPLIFIED REPORTING.—The Secretary may by regulations provide for simplified reporting under this section for United States persons making large volumes of similar payments.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section."

(b) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relating to section 6038C the following new item:

"Sec. 6038D. Payments to persons in identified tax havens."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

(d) REPORTS.—The Secretary of the Treasury shall submit annual reports to the Congress on the application of section 6038D of the Internal Revenue Code of 1986 (as added by this section).

SEC. 302. REDUCTION OF CERTAIN TAX BENEFITS WITH RESPECT TO INCOME FROM IDENTIFIED TAX HAVENS.

(a) LIMITATION ON DEFERRAL.—

(1) IN GENERAL.—Subsection (a) of section 952 of the Internal Revenue Code of 1986 (defining subpart F income) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by inserting after paragraph (5) the following new paragraph:

"(6) an amount equal to the applicable fraction (as defined in subsection (e)) of the income of such corporation other than income which—

"(A) is attributable to earnings and profits of the foreign corporation included in the gross income of a United States person under section 951 (other than by reason of this paragraph or paragraph (3)(A)(i)), or

"(B) is described in subsection (b)."

(2) APPLICABLE FRACTION.—Section 952 of such Code is amended by adding at the end the following new subsection:

"(e) TAX HAVEN INCOME WHICH IS SUBPART F INCOME.—

"(1) IN GENERAL.—For purposes of subsection (a)(6), the term 'applicable fraction' means the fraction—

"(A) the numerator of which is the aggregate identified tax haven income for the taxable year, and

"(B) the denominator of which the aggregate income for the taxable year which is from sources outside the United States.

Rules similar to the regulations under section 999(c) shall apply for purposes of this paragraph.

"(2) IDENTIFIED TAX HAVEN INCOME.—For purposes of paragraph (1), the term 'identified tax haven income' means income for the taxable year which is attributable to a foreign jurisdiction for any period during which such jurisdiction is an identified tax haven (as defined in section 6038D(c))."

(b) DENIAL OF FOREIGN TAX CREDIT.—Section 901 of such Code (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

"(1) REDUCTION OF FOREIGN TAX CREDIT, ETC., WITH RESPECT TO IDENTIFIED TAX HAVENS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) to any foreign jurisdiction if such taxes are with respect to income attributable to a period during which such jurisdiction is an identified tax haven (as defined in section 6038D(c)), and

"(B) subsections (a), (b), (c), and (d) of section 904 and sections 902 and 960 shall be applied separately with respect to all income of a taxpayer attributable to periods described in subparagraph (A) with respect to all such jurisdictions.

"(2) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not allowable as a credit under subsection (a) by reason of this subsection.

"(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations which treat income paid through 1 or more entities as derived from a foreign jurisdiction to which this subsection applies if such income was, without regard to such entities, derived from such jurisdiction."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 303. FAILURE TO REPORT INTERESTS IN FOREIGN FINANCIAL ACCOUNTS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 (relating to additions to tax, additional amounts, and assessable penalties) is amended by adding at the end the following new section:

"SEC. 6717. FAILURE TO MEET REQUIREMENTS WITH RESPECT TO INTERESTS IN FOREIGN FINANCIAL ACCOUNTS.

"(a) IMPOSITION OF PENALTY.—Any person who fails to keep any records, or fails to file any report, required under section 5314 of title 31, United States Code, with respect to any foreign financial agency transaction shall pay a penalty of \$5,000 for each such failure.

"(b) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under subsection (a) with respect to any failure if it is shown that such failure is due to reasonable cause.

"(c) PENALTY IN ADDITION TO OTHER PENALTIES.—The penalty imposed under subsection (a) shall be in addition to any other penalty imposed by law, including any penalty imposed under section 5320(a)(5) or 5321 of title 31, United States Code.

"(d) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, any certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed under subsection (a)."

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 of such Code is amended by adding at the end the following new item:

"Sec. 6717. Failure to meet requirements with respect to interests in foreign financial accounts."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to failures occurring on or after the date of the enactment of this Act.

SEC. 304. STUDY OF OFFSHORE TAX HAVENS.

(a) IN GENERAL.—The Joint Committee on Taxation shall conduct a study of the use of offshore tax havens by United States taxpayers to evade and avoid Federal income taxes. Such study shall include an examination of—

(1) mechanisms used by United States taxpayers to illegally hide income and assets from detection,

(2) the extent to which foreign tax, banking, and financial practices encourage non-compliance with Federal income tax laws,

(3) the status and effectiveness of information exchange agreements between the United States and tax haven jurisdictions,

(4) the status and effectiveness of efforts by the Organization for Economic Cooperation and Development (OECD) to identify and eliminate harmful tax practices in tax haven jurisdictions,

(5) the effectiveness of—

(A) efforts by Internal Revenue Service to identify sources of illegal offshore activity, and

(B) Federal civil and criminal penalties designed to deter offshore tax evasion, and

(6) the economic and revenue implications of tax avoidance activity.

(b) **REPORT.**—The Joint Committee on Taxation shall submit a report of the results of the study conducted under subsection (a) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than 12 months after the date of the enactment of this Act. Such report shall include any recommendations, including recommendations for legislative changes, as the Joint Committee on Taxation determines appropriate to curb the spread of offshore tax avoidance and evasion.

TAX HAVEN AND ABUSIVE TAX SHELTER REFORM ACT OF 2002—SUMMARY OF PROVISIONS

I. ENDING MEANINGLESS AND ABUSIVE TAX TRANSACTIONS

Codification of the Economic Substance Doctrine. Large corporations and sophisticated individuals are increasingly taking advantage of vagueness and ambiguities in the tax law to devise complex and unnecessary transactions purely for the purpose of tax avoidance. The legislation, based on H.R. 2520 introduced by Rep. Lloyd Doggett, would codify the judicially-developed “economic substance” doctrine so that, when applying the doctrine, a transaction would have economic substance only if it changes in a meaningful way (apart from Federal income tax effects) the taxpayer’s economic position, and the taxpayer has a substantial nontax purpose for entering into such transaction. In so doing, the Act would disallow sham transactions in which the economic activity purported to give rise to the desired tax benefits does not actually occur. The bill provides that if a profit potential is relied on to demonstrate that a transaction results in a meaningful change in economic position, the present value of the reasonably expected pre-tax profit must be substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected.

II. STRENGTHENING PENALTIES FOR PARTICIPANTS IN ABUSIVE TAX SHELTER TRANSACTIONS

Increase Penalty for Underpayments Resulting from Abusive Tax Shelters. Under current law the IRS may impose a 20% accuracy-related penalty where there is a substantial understatement of tax or there is negligence on the part of the taxpayer. The Act would increase the penalty to 40% for underpayments on account of transactions which lack economic substance or business purposes. The higher penalty can be avoided by fully disclosing the transaction. In addition, the bill would amend the definition of a substantial understatement to include underpayments which exceed \$500,000, regardless of whether the underpayment exceeds 10 percent of the taxpayer’s total tax liability.

Impose Penalty on Abusive Tax Shelter Promoters. The Act imposes a penalty on any substantial promoter of a disallowed tax shelter. The amount of the penalty equals 100 percent of the gross income derived by the promoter from the strategy. In addition, the bill modifies the current penalty for false or fraudulent statements with respect to tax shelters such that the amount of the penalty is the greater (rather than the lesser) of 41,000 or 100 percent of the gross income derived by the promoter.

Impose Penalty on Individuals Aiding and Abetting Abusive Tax Shelters. The Act would penalize the lawyers who write “penalty insurance” opinions that any reasonable person would know are unjustified. The Act would impose a penalty on those involved in a disallowed tax shelter if: (1) the person advises that the taxpayer’s transaction would more likely than not prevail or not give rise to a penalty, and (2) the advice is unreasonable. An opinion would be considered unreasonable if a reasonably prudent and careful person under similar circumstances would not have offered such an opinion. The amount of the penalty is 100 percent of the gross proceeds derived by the person from the transaction.

Tighten Tax Shelter Disclosure Requirements

Failure to Maintain Lists. Under current law, any person who organizes a potentially abusive tax shelter must maintain a list that identifies each person who purchased an interest in the shelter. The penalty for failure to meet these requirements is \$50 for each person, up to a maximum of \$50,000. The Act increases the penalty to 50 percent of the gross proceeds derived from each person.

Failure to Disclose Reportable Transactions. Regulations require corporate taxpayers to include in their tax return information with respect to certain large transactions with characteristics that may be indicative of tax shelter activity. The Act imposes a penalty for failing to disclose the required information with respect to a reportable transactions. The penalty is equal to the greater of 5% of the increase in tax liability resulting from a correction or \$100,000.

Registration of Shelters Offered to Non-Corporate Participants. A promoter of a confidential corporate tax shelter is required to register the tax shelter with the IRS. The penalty for failing to timely register a confidential corporate tax shelter is the greater of \$10,000 or 50% of the fees payable to any promoter. The Act deletes the requirement that a direct or indirect participant must be a corporation.

III. COMBATING ILLEGAL TAX EVASION IN OVERSEAS TAX HAVENS

The legislation concentrates on two major problems inherent in tax haven jurisdictions: (1) confidentiality rules and practices which prevent the effective administration and enforcement of U.S. and foreign tax laws, and (2) lack of effective bilateral information exchange in civil and criminal tax matters. By imposing real consequences for jurisdictions which are identified as uncooperative tax havens, the legislation provides meaningful incentives for these nations to reform tax practices which impede the ability of the United States to enforce its laws. In addition, the legislation imposes consequences on U.S. taxpayers who hide income offshore and fail to report assets held in foreign accounts and mandates a thorough review of the problem of offshore tax evasion, including the economic and revenue implications of tax avoidance activity.

Reduction in Foreign Tax Credits and Other Tax Benefits. The Act denies foreign tax credits for taxes paid to jurisdictions that have been identified in a list of unco-

operative tax havens to be published by the Treasury Secretary. A jurisdiction would be considered a tax haven and included in the list if the jurisdiction both (1) imposes no or nominal taxation either generally or on specified classes of income, and (2) has strict confidentiality rules and practices or has ineffective information exchange practices. In addition, the proposal would reduce a taxpayer’s (1) otherwise allowable foreign tax credit attributable to income from an identified tax haven, and (2) income, attributable to an identified tax haven, that is otherwise eligible for deferral.

Reporting of Payments to Identified Tax Havens. The Act requires that all payments to entities, accounts, or individuals that are resident or located in identified uncooperative tax havens be reported on the taxpayer’s income tax return. Exceptions would apply for payments less than \$10,000 or if the recipient certifies to the payor that the information regarding the transaction will be provided to the IRS upon request. Related payments would be required to be aggregated for purposes of determining whether this threshold is exceeded. Failure to report a payment on a tax return that was required to be reported would result in the imposition of a penalty on the payor equal to 20% of the gross payment.

Reporting of Interest in a Foreign Financial Account. Recent evidence obtained in summons of offshore credit card records suggests that a significant number U.S. taxpayers are using offshore banks to illegally hide income and assets from taxation. In addition to existing criminal penalties, the legislation imposes a civil penalty of 45,000 for the failure to comply with the rules and regulations requiring the reporting of information requested on the “Report of Foreign Bank and Financial Accounts.” The IRS would have the authority to waive the penalty, in whole or in part, if the taxpayer paid all U.S. tax due with respect to the taxpayer’s foreign accounts and the taxpayer demonstrates that the failure to file this form was due to reasonable cause.

Offshore Tax Avoidance and Evasion Study. The full extent of the problem of offshore tax evasion is only beginning to come to light. The legislation mandates the Joint Committee on Taxation to conduct a study examining the use of offshore tax havens by U.S. taxpayers to evade and avoid federal income taxes. The study will review: (1) mechanisms used by U.S. taxpayers to illegally hide income and assets from detection, (2) the extent to which foreign tax, banking, and financial practices encourage non-compliance with U.S. tax laws, (3) the status and effectiveness of the United States’ information exchange agreements with tax haven jurisdictions, (4) the status and effectiveness of efforts by the Organization for Economic Cooperation and Development (OECD) to identify and eliminate harmful tax practices in tax haven jurisdictions, (5) IRS efforts to identify sources of illegal offshore activity, and federal civil and criminal penalties designed to deter offshore tax evasion, and (6) the economic and revenue implications of offshore tax avoidance activity. Most importantly, the study will include recommendations for ways to curb the spread of offshore tax avoidance and evasion.●

By Mr. THURMOND (for himself,
Mr. HOLLINGS, and Mr.
CORZINE):

S. 2340. A bill to suspend temporarily the duty on Methyl Cinnamate (methyl-3-phenylpropenoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2341. A bill to suspend temporarily the duty on Allyl Cyclo Hexyl Propionate (Allyl hexahydro phenylpropionate); to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2342. A bill to suspend temporarily the duty on Polydimethylsiloxane; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2343. A bill to suspend temporarily the duty on Baysilone Fluid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2344. A bill to suspend temporarily the duty on P-Nitro Toluene-O-Sulfonic Acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2345. A bill to suspend temporarily the duty on Fluorobenzene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2346. A bill to extend the temporary suspension of duty with respect to meta-Chlorobenzaldehyde; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2347. A bill to extend the temporary suspension of duty with respect to 2, 6, Dichlorotoluene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2348. A bill to extend the temporary suspension of duty with respect to 4-bromo-2-fluoroacetanilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2349. A bill to suspend temporarily the duty on Methoxy acetic acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2350. A bill to extend the temporary suspension of duty with respect to Propiophenone; to the Committee on Finance.

By Mr. THURMOND:

S. 2351. A bill to suspend temporarily the duty on Ethanediarnide, N-(2-ethoxyphenyl)-N'-(4-isodecylphenyl); to the Committee on Finance.

By Mr. THURMOND:

S. 2352. A bill to suspend temporarily the duty on 1-Acetyl-4-(3-Dodecyl-2), 5-Dioxo-1-Pyrrolidiny-2,2,6,6-Tetramethyl-Piperidine; to the Committee on Finance.

By Mr. THURMOND:

S. 2353. A bill to suspend temporarily the duty on Aryl phosphonite; to the Committee on Finance.

By Mr. THURMOND:

S. 2354. A bill to suspend temporarily the duty on Mono octyl malionate; to the Committee on Finance.

By Mr. THURMOND:

S. 2355. A bill to suspend temporarily the duty on 3,6,9,-Trioxaundecanedioic acid; to the Committee on Finance.

By Mr. THURMOND:

S. 2356. A bill to suspend temporarily the duty on Crotonic acid; to the Committee on Finance.

By Mr. THURMOND:

S. 2357. A bill to suspend temporarily the duty on 1,3-Benzenedicarboxamide, N, N'-Bis (2,2,6,6-tetramethyl-4-piperidiny-); to the Committee on Finance.

By Mr. THURMOND:

S. 2358. A bill to suspend temporarily the duty on 3-Dodecyl-1-(2,2,6,6-tetramethyl-4-piperidiny)-2,5-pyrrolidinedione; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2359. A bill to suspend temporarily the duty with respect to Oxalic Anilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2360. A bill to suspend temporarily the duty on Reduced Vat Blue 43; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2361. A bill to suspend temporarily the duty on N-Metyl diisopropanolamine; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2362. A bill to suspend temporarily the duty on Sulfur Black 1; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2363. A bill to suspend temporarily the duty on Phenyl Propyl Alcohol (Benzyl ethyl alcohol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2364. A bill to suspend temporarily the duty on Benzyl Cinnamate (Benzyl beta phenylacrylate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2365. A bill to suspend temporarily the duty on Thymol (alpha-

Cymophenol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2366. A bill to suspend temporarily the duty on Methyl Acetophenone-para (Melilot); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2367. A bill to suspend temporarily the duty on Frescolate (5-Methyl 2-(methylethyl)cyclohexyl alpha-hydroxypropionate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2368. A bill to suspend temporarily the duty on Trimethyl Cyclo Hexanol (1-Methyl-3,3-dimethylcyclohexanol-5); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2369. A bill to suspend temporarily the duty on Allinat (Allyl isosulfocyanate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2370. A bill to suspend temporarily the duty of Acetanisoole (Anisyl Methyl Ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2371. A bill to suspend temporarily the duty on NeoHeliopan MA (Menthyl Anthranilate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2372. A bill to suspend temporarily the duty on Majantol (2,2-Dimethyl-3-(3-methylphenyl)propanal); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2373. A bill to suspend temporarily the duty on Agrumex (o-t-Butyl cyclohexanol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2374. A bill to suspend temporarily the duty on Globanone (Cyclohexadec-8-en-1-one)(CHD); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2375. A bill to suspend temporarily the duty on Benzyl Acetone (Methyl-

phenylethyl ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2376. A bill to suspend temporarily the duty on Sodium Methylate Powder (Na Methylate Powder); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2377. A bill to suspend temporarily the duty on NeoHeliopan Hydro (2-Phenylbenzimidazole-5-sulfonic acid); to the Committee on Finance.

Mr. THURMOND. Mr. President, I rise today to introduce thirty-eight bills which will suspend the duties imposed on certain chemicals that are important components for a wide array of commercial applications. Currently, these chemicals are imported for use in the United States because there are no known domestic producers or readily available substitutes. Therefore, suspending the duties on these chemicals would not adversely affect domestic industries.

These bills would temporarily suspend the duty on the following:

Reduced Vat Blue 43;
Sulfur Black 1;
Mono Octyl Malionate;
Crotonic Acid;
Fluorobenzene;

Meta-Chlorobenzaldehyde;
2,6-Dichlorotoluene;
4-Bromo-2-Fluoroacetanilide;
Propiophenone;
Methoxy Acetic Acid;
Aryl Phosphonite;
Ethanediameide,—(2-Ethoxyphenyl)-N'-(4-Isodecylphenyl)-3,6,9-Trioxaundecanedioic Acid;
Oxalic Anilide;
NeoHeliopan MA (Menthyl Anthranilate);
Alliant (Allyl Isosulfofocysteine);
Frescolate (5-Methyl-2-(Methylethyl)cyclohexyl Alpha-hydroxypropanoate);
Phenyl Propyl Alcohol (Benzyl Ethyl Alcohol);
Benzyl Cinnamate (Benzyl Beta Phenylacrylate);
Methyl Cinnamate (Methyl-3-Phenylpropenoate);
Methyl Acetophenone-para (Melilot);
Trimethyl Cyclo Hexanol (1-Methyl-3,3-Dimethylcyclohexanol-5);
Acetanilide (Anisyl Methyl Ketone);
Majantol (2,2-Dimethyl-3-(3-Methylphenyl)Propanal);
Agrumex (O-T-Butyl Cyclohexanol);
Globanone (Cyclohexadec-8-EN-1-One) (CHD);
Benzyl Acetone (Methyl-Phenylethyl Ketone);
Sodium Methylate Powder (NA Methylate Powder);
NeoHeliopan Hydro (2-Phenylbenzimidazole-5-Sulfonic Acid);

Allyl Cyclo Hexyl Propionate (Allyl Hexahydro Phenylpropionate);
Thymol (Alpha-Cymophenol);
Baysilone Fluid;
N-Methyl Diisopropanolamine;
Polydimethylsiloxane;
1-Acetyl-4-(3-Dodecyl-2,5-Dioxo-1-Pyrrolidinyl)-2,2,6,6-Tetramethyl-Piperidine;
1,3-Benzenedicarboxamide,N,N'-Bis(2,2,6,6-Tetramethyl-4-Piperidinyl)-P-Nitro Toluene-O-Sulfonic acid; and
3-Dodecyl-1-(2,2,6,6-Tetramethyl-4-Piperidinyl)-2,5-Pyrrolidinedione.

These chemicals are used in a wide variety of manufacturing processes to produce agricultural chemicals, pharmaceuticals, fragrances, textile fibers, dyes, pigments, and other products.

Suspending the duty on these chemicals will benefit the consumer by stabilizing the costs of manufacturing the end-use products. Further, these suspensions will allow domestic producers to maintain or improve their ability to compete internationally. Finally, the importers of these products create jobs and incomes for Americans workers. I hope the Senate will consider these measures expeditiously.

I ask unanimous consent that the text of these bills be printed in the RECORD.

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

S. 2340

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. METHYL CINNAMATE (METHYL-3-PHENYLPROPENOATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.78	Methyl Cinnamate (methyl-3-phenylpropenoate) (CAS No. 103-26-4) (provided for in subheading 2916.39.20)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2341

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLYL CYCLO HEXYL PROPIONATE (ALLYL HEXAHYDRO PHENYLPROPIONATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.77	Allyl Cyclo Hexyl Propionate (Allyl hexahydro phenylpropionate) (CAS No. 2705-87-5) (provided for in subheading 2916.20.50)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUSPENSION OF DUTY ON POLYDIMETHYLSILOXANE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.02	Polydimethylsiloxane (CAS No. 63148-62-9) (provided for in subheading 3910.00.00)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUSPENSION OF DUTY ON BAYSILONE FLUID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.03	An Alkyl modified polydimethylsiloxane (CAS No. 102782–93–4) (provided for in subheading 3910.00.00)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2344

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF SUSPENSION OF DUTY ON P-NITRO TOLUENE-O-SULFONIC ACID.

(a) IN GENERAL.—Heading 9902.29.23 of the Harmonized Tariff Schedule of the United States is amended by striking “12/31/2001” and inserting “12/31/2005”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FLUOROBENZENE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new subheading:

“	9902.38.70	Fluorobenzene (CAS No. 462-06-6) (provided for in subheading 2903.69.70)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2346

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. META-CHLOROBENZALDEHYDE.

(a) IN GENERAL.—Subheading 9902.28.17 of the Harmonized Tariff Schedule of the United States is amended by striking “12/31/2003” and inserting “12/31/2006”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2347

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 2,6, DICHLOROTOLUENE.

(a) IN GENERAL.—Subheading 9902.32.82 of the Harmonized Tariff Schedule of the United States is amended by striking “12/31/2003” and inserting “12/31/2006”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2348

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 4-BROMO-2-FLUOROACETANILIDE.

(a) IN GENERAL.—Subheading 9902.28.15 of the Harmonized Tariff Schedule of the United States is amended by striking “12/31/2003” and inserting “12/31/2006”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2349

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. METHOXY ACETIC ACID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.36	Methoxy acetic acid (CAS No. 625–45–6) (provided for in subheading 2918.90.50)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2350

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROPIOPHENONE.

(a) IN GENERAL.—Subheading 9902.28.16 of the Harmonized Tariff Schedule of the United States is amended by striking “12/31/2003” and inserting “12/31/2006”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ETHANEDIAMIDE, N- (2-ETHOXYPHENYL)-N'- (4-ISODECYLPHENYL)-.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.33	Ethanediamide, N-(2-ethoxyphenyl)-N'-(4-isodecylphenyl)- (CAS No. 82493-14-9) (provided for in subheading 3812.30.60)	Free	Free	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by this subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2352

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 1-ACETYL-4-(3-DODECYL-2, 5-DIOXO-1-PYRROLIDINYL)-2,2,6,6-TETRAMETHYL-PIPERIDINE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.34	1-Acetyl-4-(3-Dodecyl-2, 5-Dioxo-1-Pyrrolidinyl)-2,2,6,6-Tetramethyl-Piperidine (CAS No.106917-31-1) (provided for in subheading 2933.39.61)	Free	Free	No change	On or before 12/31/2006.	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2353

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ARYL PHOSPHONITE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.37	Aryl phosphonite (CAS No. 119345-01-6) (provided for in subheading 2931.00.10)	Free	Free	No change	On or before 12/31/2006.	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MONO OCTYL MALIONATE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.35	Mono octyl malionate (CAS No. 7423-42-9) (provided for in subheading 2917.19.20)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2355

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 3,6,9-TRIOXAUNDECANEDIOIC ACID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.37	3,6,9-Trioxaundecanedioic acid (CAS No. 13887-98-4) (provided for in subheading 2918.90.50)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2356

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CROTONIC ACID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.38	Crotonic acid (CAS No. 107-93-7) (provided for in subheading 2916.19.30)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2357

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 1,3-BENZENEDICARBOXAMIDE, N, N'-BIS (2,2,6,6-TETRAMETHYL-4-PIPERIDINYL)-.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.39	1,3-Benzenedicarboxamide, N, N'-Bis (2,2,6,6-tetramethyl-4-piperidinyl)- (CAS No. 42774-15-2) (provided for in subheading 2933.39.61)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2358

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 3-DODECYL-1-(2,2,6,6-TETRAMETHYL-4-PIPERIDINYL)-2,5-PYRROLIDINEDIONE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.40	3-Dodecyl-1-(2,2,6,6-tetramethyl-4-piperidinyl)-2,5-pyrrolidinedione (CAS No. 79720-19-7) (provided for in subheading 2933.39.61)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. OXALIC ANILIDE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.44	Ethanediamide, N-(2-ethoxyphenyl)-N'-(2-ethoxyphenyl)- (CAS No. 23949-66-8) (provided for in subheading 2924.29.76)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDUCED VAT BLUE 43.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.33.42	Reduced Vat Blue 43 [(CAS No. _____)] (provided for in subheading 3204.15.40)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2361

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUSPENSION OF DUTY ON N-METYL DIISOPROPANOLAMINE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.29.48	1,1'-(methyylimino) dipropan-2-ol (CAS No. 4402-30-6) (provided for in subheading 2922.19.95)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2362

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SULFUR BLACK 1.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.33.41	Sulfur Black 1 (CAS No. 1326-82-5) (provided for in subheading 3204.19.30)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2363

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PHENYL PROPYL ALCOHOL (BENXYL ETHYL ALCOHOL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.69	Phenyl Propyl Alcohol (Benxyl ethyl alcohol) (CAS No. 122-97-3) (provided for in subheading 2906.29.20)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2364

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BENZYL CINNAMATE (BENZYL BETA PHENYLACRYLATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.76	Benzyl Cinnamate (Benzyl beta phenylacrylate) (CAS No. 103-41-3) (provided for in subheading 2916.39.20)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act

S. 2365

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. THYMOL (ALPHA-CYMOPHENOL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.70	Thymol (alpha-Cymophenol) (CAS No. 89-83-8) (provided for in subheading 2907.19.40)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2366

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. METHYL ACETOPHENONE-PARA (MELILOT).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.33.41	Methyl Acetophenone-para (Melilot) (CAS No. 122-00-9) (provided for in subheading 2914.39.00)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2367

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FRESCOLATE (5-METHYL-2-(METHYLETHYL)CYCLOHEXYL ALPHA-HYDROXYPROPANOATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.79	Frescolate (5-Methyl-2-(methylethyl)cyclohexyl alpha-hydroxypropanoate) (CAS No. 59259-38-0) (provided for in subheading 2918.11.50)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2368

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRIMETHYL CYCLO HEXANOL (1-METHYL-3,3-DIMETHYLCYCLOHEXANOL-5).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.67	Trimethyl Cyclo Hexanol (1-Methyl-3,3-dimethylcyclohexanol-5) (CAS No. 116-02-9) (provided for in subheading 2906.19.50)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2369

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLINAT (ALLYL ISOSULFOCYANATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.81	Allinat (Allyl isosulfocyanate) (CAS No. 57-06-7) (provided for in subheading 2930.90.90)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ACETANISOLE (ANISYL METHYL KETONE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.33.41	Acetanisol (Anisyl Methyl Ketone) (CAS No. 100-06-1) (provided for in subheading 2914.50.30)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2371

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NEOHELIOBAN MA (MENTHYL ANTHRANILATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.80	NeoHeliopan MA (Menthyl Anthranilate) (CAS No. 134-09-8) (provided for in subheading 2922.49.26)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MAJANTOL (2,2-DIMETHYL-3-(3-METHYLPHENYL)PROPONAL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.68	Majantol (2,2-Dimethyl-3-(3-methylphenyl)- propanal) (CAS No. 103694-68-4) (provided for in subheading 2906.29.20)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AGRUMEX (O-T-BUTYL CYCLOHEXANOL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.75	Agrumex (o-t-Butyl cyclohexanol) (CAS No. 20298-69-5 and 88-41-5) (provided for in subheading 2915.39.45)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2374

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. GLOBANONE (CYCLOHEXADEC-8-EN-1-ONE) (CHD).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.71	Globanone (Cyclohexadec-8-en-1-one) (CHD) (CAS No. 3100-36-5) (provided for in subheading 2914.29.50)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2375

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BENZYL ACETONE (METHYL-PHENYLETHYL KETONE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.73	Benzyl Acetone (Methyl-phenylethyl ketone) (CAS No. 2550-26-7) (provided for in subheading 2914.39.90)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2376

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SODIUM METHYLATE POWDER (NA METHYLATE POWDER).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.66	Sodium Methylate Powder (Na Methylate Powder) (CAS No. 124-41-4) (provided for in subheading 2905.19.00)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NEOHELIOPLAN HYDRO (2-PHENYLBENZIMIDAZOLE-5-SULFONIC ACID).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.82	NeoHeliopan Hydro (2-Phenylbenzimidazole-5-sulfonic acid) (CAS No. 27503-81-7) (provided for in subheading 2933.90.75)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

ADDITIONAL COSPONSORS

S. 104

At the request of Ms. SNOWE, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 104, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 946

At the request of Ms. SNOWE, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 946, a bill to establish an Office on Women's Health within the Department of Health and Human Services.

S. RES. 247

At the request of Mr. LIEBERMAN, the names of the Senator from New Jersey (Mr. CORZINE), the Senator from Mississippi (Mr. LOTT), the Senator from New York (Mr. SCHUMER), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. Res. 247, a resolution expressing solidarity with Israel in its fight against terrorism.

S. RES. 250

At the request of Ms. LANDRIEU, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. Res. 250, a resolution extending sympathy and condolences to the families of the Canadian soldiers who were killed and the Canadian soldiers who were wounded on April 18, 2002, in Afghanistan, and to all of the Canadian people.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. REID. Mr. President, I ask unanimous consent that the Committee on

Armed Services be authorized to meet during the session of the Senate on Friday, April 26, 2002, at 9:30 A.M., in open session to receive testimony on pending military nominations: Admiral Thomas B. Fargo, USN, for reappointment to the grade of Admiral and to be commander in chief, United States Pacific Command; and Lieutenant General Leon J. LaPorte, USA, for appointment to the grade of general and to be commander in chief, United Nations Command/Combined Forces Command/Commander, United States Forces Korea.

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

SUBCOMMITTEE ON CHILDREN AND FAMILIES

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Children and Families, be authorized to meet for a hearing on “Families and Funeral Practices” during the session of the Senate on Friday, April 26, 2002, at 10 a.m.

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

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider Calendar Nos. 790, 791, 792, 793 through 800; that the nominations be confirmed; that the motions to reconsider be laid on the table; that the President be immediately notified of the Senate's action; that any statements thereon be printed in the RECORD as if given; and

that the Senate return to legislative action, without any intervening action or debate.

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

The nominations considered and confirmed are as follows:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

James R. Stoner, Jr., of Louisiana, to be a Member of the National Council on the Humanities for a term expiring January 26, 2006.

Evelyn Dee Potter Rose, of Texas, to be a Member of the National Council on the Arts for a term expiring September 3, 2006.

DEPARTMENT OF LABOR

Kathleen M. Harrington, of the District of Columbia, to be an Assistant Secretary of Labor, vice Susan Robinson King.

DEPARTMENT OF JUSTICE

John Edward Quinn, of Iowa, to be United States Marshal for the Northern District of Iowa for the term of four years.

David Phillip Gonzales, of Arizona, to be United States Marshal for the District of Arizona for the term of four years.

Edward Zahren, of Colorado, to be United States Marshal for the District of Colorado for the term of four years.

Charles M. Sheer, of Missouri, to be United States Marshal for the Western District of Missouri for the term of four years.

Gorden Edward Eden, Jr., of New Mexico, to be United States Marshal for the District of New Mexico for the term of four years.

John Lee Moore, of Texas, to be United States Marshal for the Eastern District of Texas for the term of four years.

Ronald Henderson, of Missouri, to be United States Marshal for the Eastern District of Missouri for the term of four years.

CENTRAL INTELLIGENCE

John Leonard Helgersson, of Virginia, to be Inspector General, Central Intelligence Agency.

ORDER FOR RECORD TO REMAIN OPEN

Mr. REID. Mr. President, I ask unanimous consent that the RECORD remain open until 2 p.m. today for the introduction of legislation and the submission of statements.

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

ORDER TO PRINT H.R. 4

Mr. REID. Mr. President, I ask unanimous consent that H.R. 4, as passed by the Senate on April 25, be printed.

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

ORDERS FOR MONDAY, APRIL 29, 2002

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 1 p.m. Monday, April 29; that following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate re-

sume consideration of the motion to proceed to H.R. 3009, the Andean Trade Act, with the time until 6 p.m. equally divided between the proponents and opponents of the motion.

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

VOTE AT 6 P.M. MONDAY

Mr. REID. The next rollcall vote will occur this coming Monday at 6 p.m. on the motion to proceed to the Andean trade bill.

ADJOURNMENT UNTIL 1 P.M.
MONDAY, APRIL 29, 2002

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 12:38 p.m., adjourned until Monday, April 29, 2002, at 1 p.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 26, 2002:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

JAMES R. STONER, JR., OF LOUISIANA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 2006.

EVVELYN DEE POTTER ROSE, OF TEXAS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2006.

DEPARTMENT OF LABOR

KATHLEEN M. HARRINGTON, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF LABOR.

CENTRAL INTELLIGENCE

JOHN LEONARD HELGERSON, OF VIRGINIA, TO BE INSPECTOR GENERAL, INTELLIGENCE AGENCY.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

DEPARTMENT OF JUSTICE

JOHN EDWARD QUINN, OF IOWA, TO BE UNITED STATES MARSHAL FOR THE NORTHERN DISTRICT OF IOWA FOR THE TERM OF FOUR YEARS.

DAVID PHILIP GONZALES, OF ARIZONA, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF ARIZONA FOR THE TERM OF FOUR YEARS.

EDWARD ZAHREN, OF COLORADO, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF COLORADO FOR THE TERM OF FOUR YEARS.

CHARLES M. SHEER, OF MISSOURI, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF MISSOURI FOR THE TERM OF FOUR YEARS.

GORDEN EDWARD EDEN, JR., OF NEW MEXICO, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF NEW MEXICO FOR THE TERM OF FOUR YEARS.

JOHN LEE MOORE, OF TEXAS, TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF TEXAS FOR THE TERM OF FOUR YEARS.

RONALD HENDERSON, OF MISSOURI, TO THE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF MISSOURI FOR THE TERM OF FOUR YEARS.