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No. 70

## House of Representatives

The House was not in session today. Its next meeting will be held on Tuesday, May 13, 2003, at 12:30 p.m.

## Senate

MONDAY, MAY 12, 2003

The Senate met at 2:03 p.m. and was called to order by the Honorable JOHN CORNYN, a Senator from the State of Texas.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, Rev. Charles V. Antonicelli, of St. Joseph's Catholic Church on Capitol Hill.

### PRAYER

The guest Chaplain offered the following prayer:

Let us pray.

Lord God, we acknowledge You as the source of all blessing and goodness. We thank You and we praise Your name. We see Your wonder and Your power in the beauty of our created world. Help all in our country who have been affected by the devastating weather we have experienced.

We pray in a special way this day, Lord, for former Senator Russell Long, whom You have called back to Yourself. Grant him eternal rest and comfort his grieving family and friends.

Bless the Members of this Senate and their staffs. Grant them Your gifts of wisdom and courage, so that they may be good and faithful stewards of the resources You have placed in their care for the good of all whom they serve.

We ask this in Your holy name. Amen.

### THE PLEDGE OF ALLEGIANCE

The Honorable JOHN CORNYN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Repub-

lic 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. STEVENS).

The assistant legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, May 12, 2003.

To the Senate:

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

TED STEVENS,  
President pro tempore.

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

### RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Wyoming is recognized.

### SCHEDULE

Mr. THOMAS. Mr. President, momentarily the Senate will begin consideration of the jobs and economic growth reconciliation bill. Under the previous order, there will be up to 2 hours for debate on the bill today with no amendments in order. There will be no rollcall votes during today's session.

On Tuesday, the Senate will begin the amendment process with respect to the jobs and economic growth reconciliation bill. There will be busy sessions throughout the week as the Senate considers and completes the jobs and economic growth bill.

Later in the week, the Senate will also consider the bipartisan global HIV/AIDS bill and the debt limit extension legislation. In order for the Senate to complete action on these measures, late nights and rollcall votes should be expected throughout the week. On behalf of the majority leader, I advise my colleagues to make the necessary scheduling arrangements.

I also alert my colleagues that there may be a possible weekend session, since these are must-pass items and there are only a few remaining days before the Memorial Day recess. The majority leader will make further announcements regarding the schedule as we make progress on the items that I have just mentioned.

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

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

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



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## ORDER OF PROCEDURE

Mr. THOMAS. Mr. President, what we would like to do is allocate 15 minutes to the Republicans, 15 minutes to the Democrats, 15 minutes to the Republicans, and 15 minutes for the Democrats, for a total of 1 hour as in morning business.

Mr. REID. Reserving the right to object, on our side we ask that the ranking member of the Finance Committee go first on our time, and the ranking member of the Budget Committee go second on our time.

Mr. THOMAS. Following the hour, I will be recognized to lay down the bill.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, I think when the hour is up, we will just revisit what we are going to do.

Mr. THOMAS. I have no objection.

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

Mr. THOMAS. I yield to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

### JOBS AND ECONOMIC GROWTH RECONCILIATION

Mr. KYL. Mr. President, this will be the beginning of the debate on the legislation the Senate will be considering this week on an economic growth and jobs package. The legislation that came out of the Senate Finance Committee will be debated, as will other proposals and amendments. That will all be laid down a little bit later, but actually we will begin the conversation right now.

I will begin by noting something rather political, and that is that over the weekend talk shows I noticed a lot of pundits talking about what was good for the economy and what was good for the President. It got me thinking a little bit about the difference between some of our colleagues on the Democratic side and most of us on the Republican side who support the President's proposals for economic growth and job creation.

The point is this: Those pundits were saying if the economy is in pretty good shape next year, the President should have a pretty good chance of being reelected, but if the economy is not good, then it will be more difficult for the President to be reelected. That is not exactly rocket science, but it makes the point that many of us on this side have been making: The President would not propose a package for economic growth and job creation he did not think was not going to work. The whole point of his package is to help get the economy growing, to create jobs so people will be in the mood to reelect him President.

Obviously he wants to do good for the country, for the people of this country, for the senior citizens, for the economy at large, for American families. If he can get reelected, that would be a good

thing. My point is that the President is not proposing something he thinks is going to be bad for the economy, because that would be the worst possible thing for him to do in terms of his reelection possibilities.

So it stands to reason that he really believes what he is proposing will work, and so do I. So do the majority of us. We would not be proposing this if it was not obvious to us that the best way to get the economy moving again, the best way for economic growth and job creation, is to reduce taxes in those areas of the economy which would provide the best economic growth with that tax relief.

We know, for example, that one of the best ways to get reinvestment is for people to have more of their money to invest, obviously. The best way for them to have more money is not to pay so much to Uncle Sam in taxes. That is what tax relief is all about.

Two years ago, we passed the tax relief President Bush suggested, but we phased it in over time. What the President is now proposing is, let's accelerate those tax reductions, those marginal rate income tax reductions, so they take effect immediately. If, as the President said, it is a good idea to do it in 2 years, it is an even better idea to do it now when we need that money in our pockets to invest so our businesses can create jobs and help with economic growth.

The first point of the President's plan is to take those tax breaks on the income tax marginal rates for each of the brackets we were reducing, and reduce them this year rather than waiting 2 years from now. It makes great economic sense. It will help families, it will help small businesses, and it will enable those businesses to take that money that is being saved and invest it in new jobs and in new business.

The second feature of the President's plan is to eliminate something very unfair in the current Tax Code. As a matter of fact, the United States is second only to Japan in having the worst possible tax policy on corporate dividends. Only one country in the world taxes dividends more than the United States: Japan. Every other country in the world that has developed economies has a much lower tax rate on dividends. So we have put ourselves at a competitive disadvantage with all of these other countries in the world. The reason we have such a disadvantage is because we do not just have one tax on corporate dividends; we repeat the tax. We tax the corporation the first time around when the income is earned, and as soon as they pay the dividends out to the shareholders, we tax it again. So it is a double taxation. No wonder our rate is so high. It is 70 percent.

As I said, only one country in the world, Japan, which is having huge economic difficulties at the current time, has a worse tax rate on dividends than we do. So the President logically says, let's get rid of that double taxation. The way he chose to do it was to

repeal the tax on the dividends that are earned by American citizens, investors. The corporation still pays the tax, but it is not taxed the second time around.

There are many advantages to doing it that way: First, it really helps the senior citizens in this country who derive a lot of their income from this dividend income. Secondly, it really helps to spur economic growth because not only will the dividends then be used for reinvestment into business, but it also helps the stock market generally by infusing capital back into the stock market. The economists we have talked to all make the point that it is not just the corporations that choose to issue dividends that will benefit from this, and their taxpayers, but it is all of the stocks because of the general increase in the value of equities. I think we have seen that in the way the market has responded to the President's proposal.

A third side benefit of this elimination of the double tax of dividends is the impact it will have on corporate governance. We all know the problem that was revealed over the course of the last couple of years about certain corporations, not corporations that were paying dividends but corporations that were putting money into the hands of their executives, in some cases in a very bad way. Fortunately, the President cracked down hard on them, as did the Congress, with the Sarbanes-Oxley legislation. The idea is to create transparency, to let the stockholders know what is going on in corporations, and to give them an incentive not to create more debt but to finance their expansion through equity; that is to say, through offering stock to the public, which the public then buys, the money then enabling the corporation to invest in expansion of the business, hiring more people, for example, rather than going to the bank to borrow the money to do that.

Today, our Tax Code gives the incentive to go borrow because corporations get to deduct the interest on the money they borrow. That is the way corporations treat that when they pay the income tax. We need to give them at least an equal incentive and perhaps a greater incentive to finance their corporate expansion not through borrowing but, rather, through the issuance of stock, which then Americans can acquire.

What is one way to do that? By ensuring that if they pay dividends on that stock, the purchasers of the stock are not going to have to pay a tax on the dividends they receive. It is a way of providing an incentive for the corporations to finance their expansion that way.

For all of these reasons, the economists we have talked to are pretty clear that eliminating the double taxation on dividends would provide a real spurt in investment in business, would enable the businesses to expand, would create something like 500,000 jobs this year, 1.4 million jobs next year. That is real job creation.

There are those on the other side who say that is impossible. There are not going to be that many jobs created. The economy is not going to get better with the President's proposal.

I go back to my first point. The President has a very personal reason in mind, as well as the good of the country, when he talks about a program that will really improve the economy. He wants to be reelected. He would not be doing this if he thought it would be bad for the economy.

There is a misperception by some that this recession we are in right now is a recession that should be dealt with not by allowing businesses to have more money to reinvest to create jobs; that is to say, it is not a capital deficit problem but, rather, it is a matter of consumer spending. If only we would give more money to people, they would spend it and that would make everything better, create more demand for products, they would buy more, and so on. That just does not happen to be true.

Here are the statistics. Consumer spending has been going up. It went up 3.1 percent in the year 2002, 2.5 percent the year before that; disposable personal income has increased, up 4.3 percent last year.

The problem is not disposable personal income; it is not consumer spending that has been going on. We know from personal experience, people have been able to refinance their homes, they have been able to buy cars at zero percent interest. There are a lot of factors we are personally aware of that confirm it is not a matter of consumer spending but, rather, a capital asset problem. Businesses cannot get the money to expand.

What happened? We all know what happened in the stock market in the last several years. According to some people, \$10 trillion in value in stocks has essentially disappeared, evaporated. The stocks were way up here, and now they are down here. What is the difference? It is \$10 trillion in value, in assets, in money that corporations do not have anymore. They do not have that value, and therefore they cannot go to the bank and borrow. They cannot sell their stock for a good price; people are not buying. And the question is how do you get more capital assets into the business sector, which is the sector which provides the jobs. Whether it be small business or big business, it is the same; it is a capital asset deficit, not a consumer spending problem.

I will emulate my good friend from North Dakota, the master of charts. He has a chart for everything. I will produce a big chart, but I will now show the small version that will make the point. The upper line is the line increasing, and that is consumer spending. It shows that from 1999, the first year up to the current time, consumer spending has continued to increase. It went up 3.1 percent last year. We do not have a demand problem, a con-

sumer spending problem in this country; we have a capital asset problem.

Here is what has happened with capital assets. Here is the big stock boom. With everyone investing in the stock markets, the corporations had a lot of value. And here is what happened to the stock. We all know what happened. A lot of that value was taken out as the market plunged. That is what this line shows. It hit the bottom and is just barely beginning to move up.

This is what we have to make up. This is the area we need to improve. It is the area of providing more capital to our businesses so they can expand and create more jobs. Again, how do you do that? They basically have two ways. They can try to borrow the money—not good policy, but besides that, they do not have the leverage to do that these days because the Federal institutions are looking at them and asking: How exactly are you going to repay us? How will you do something good with this money? We are not convinced yet that the value is there that they want to lend the money at a reasonable rate. Or they can go to the public and say: Here is some more stock; would you please buy it.

In the past, the public said: We are not sure we want to invest anymore in the stock market because you are not doing that well. So along comes the President's plan. He says: We will accelerate depreciation for small business, we will end the double taxation of dividends, and we will accelerate the marginal income tax relief we passed 2 years ago.

Just like that, we have created an opportunity for people to take the money they have saved, put it into the stock market, put it into businesses, or put it into small businesses that are not publicly traded and create those jobs. That is the genius of the President's program. It is nothing new. The same concept has been used before in tax relief that has been provided to investors who turn around and reinvest that in the businesses that create the jobs.

The problem is this recession is not like the old recessions, and that is why I understand those who are stuck in the last century in looking at this as a consumer or demand recession. This is the first 21st century recession, the first high-tech recession, and it is the first capital asset deficit recession. It is not a consumer recession. That is why it does not do any good, as the Democrat leader's plan essentially does, to just drop money out of an airplane and say: Here is money, consumers; go ahead and spend it on something. That is not the problem. That is not going to help. What we need is for those businesses to acquire capital so they can expand, create jobs, and therefore the economy can grow and we can all benefit.

There are those who want to demagog the issue, and I would never accuse colleagues on the other side of the aisle of this, but I have seen folks on

TV say that is giving money to the rich, to the elite. First of all, over half of the American people today are investors. Senior citizens, in particular, are very large investors, and a significant amount of the tax relief the President is proposing would go to our seniors. As a matter of fact, under the President's jobs and economic growth plan, 13 million elderly taxpayers would receive an annual tax cut of \$1,384 this year. One of every two senior filers receives dividend income, and as a group seniors receive half of all the taxable dividends paid to shareholders. So elimination of the double taxation of dividends provides average relief of \$991 for the more than 9 million seniors who include dividend income on their tax return in the year 2003. That is a real benefit to the seniors in our society. It is a real benefit to the American taxpayer at large.

I will have more to say on this subject later. I appreciate my colleague from Wyoming allowing me to open this debate, and I look forward to hearing from my colleagues on the subject.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, although we are in morning business, I begin by thanking the chairman of the Finance Committee, Senator GRASSLEY, for the way he has approached putting this bill together. He has been a very fair, very honest, and very decent man, a man who keeps his word. Regrettably, he is not in the Chamber at this moment, but he will be spending a lot of time in the Chamber this week. I want the Senate to know how much this Senator regards the chairman of the Finance Committee. He has done a masterful job. He has a very difficult job. Believe me, I know; I have been in that position. He has always conducted the committee's business and the Senate's duties very appropriately, fairly, with courtesy and civility. I deeply appreciate that, and I know I speak for the rest of the members of our committee and the Senate Finance Committee as well as Members of this body.

The Finance Committee of the Senate works best when we work together. We then get a better product with broader support from both sides. The Finance Committee has a long and deserved reputation for working together cooperatively.

It is with great sadness I note today the passing of the former chairman of the committee, Russell Long, just a couple days ago. He was well known for not only his willingness but his desire to work hard with both sides of the aisle.

I served with Senator Long a good number of years ago, and I think he set the model. On occasion, the committee has deviated slightly, and every time it has, I think it has been a mistake. The tradition of bipartisanship has served the committee very well.

I know that is Chairman GRASSLEY's inclination as well. I also know that

circumstances have not allowed him to carry out this role on this bill as much as he would like. It appears some in the committee have made nonnegotiable demands for what they say "must" be in this bill. Rather than pass a bill that would include all the terms with which we can agree, or at least most of us, some insist that the bill must, for example, include tax cuts for dividends. That is an insistence that some members of the committee are making and do not want to negotiate. Some insist this bill must include an acceleration of the tax rates for the 1 percent of American elite with income greater than \$311,000. That is something they insist on or there is no bill; that is, rather than pass a bill with overwhelming support and seek a bipartisan vote.

The Senate often works because of willingness to compromise. Senators give up what they consider perfect in order to get in the end what will be good. I know Chairman GRASSLEY works to get things done in that way, and so does this Senator. Without compromise, we will get less done. Without compromise, the result will command less popular support. It will be more tenuous, more fragile, and without compromise the Senate will be a much more partisan place, a place that is not much fun in which to work.

But this is only Monday. It is early in the debate and there is still time, even at this late date. I believe it is not too late for us in the Senate to work in the Senate's best traditions; that is, work together.

Let me take a few moments now to discuss why we are here today. I will also discuss the President's proposal and the congressional reactions to it.

Why are we here today? In the first instance, we are here because the budget resolution directs us. The budget resolution expressing the will of the Congress tells us that this month we shall consider a reconciliation bill, so we are carrying out our duty under the budget process. We are also here because the times demand it. The times demand action.

On a Montana ranch, when the grass has burned dry and there is just dust in the air, the rancher has to take steps to feed and protect his herd. And when drought hits and times are tough, no Montana rancher would fail to dig down deep, even deeper, rather than fail to find a way to make things work to get his place back on solid ground.

On a larger scale, we are here today because the American economy demands it. There is a drought in the American economy, just as there has been in many parts of America, a very severe drought facing agriculture.

The week before last, the Government reported that the unemployment rate surged to 6 percent. Since January 2001, just 2 years ago, the private sector has lost, not gained—I might put that in the context of the 2001 tax cut—the private sector has lost more than 2.1 million jobs. The economy has lost

more than half a million jobs in the last 3 months alone. We now have the fewest number of jobs in 41 months. Since January 2 years ago, the economy has grown by an anemic average of 1.5 percent, far below the post-World War II average.

Business owners tell me they are not investing, despite what the Senator from Arizona just said on the floor, because of so much uncertainty and too much overcapacity. Consumer confidence has dropped. Simply put, there is a lot of uncertainty out there.

The reason the investment curve has declined is very simply because the bubble burst. That bill that was run up in the 1990s, whether in the high-tech sector or the telecommunications sector—generally that bubble burst. The price-to-earnings ratio was way too high. Everyone knew it but said maybe they would get on the gravy train, knowing it would not last forever, but trying to stay on as long as it would last. Sure enough, the bubble did burst—no more gravy train. The economy didn't collapse, but we fell into recession.

As a consequence, there is amazing business overcapacity. Businesses are not investing now because they have overcapacity. They cannot fully use the capacity they now have because people are not buying as much as they once did. That is why investment is down.

The chart the Senator from Arizona pointed out to us a few minutes ago may be interesting. It has two lines on it, but his explanation for the lines is totally inaccurate. It is totally fallacious. There are other reasons to explain why the investment curve is down, and I just explained the main reason it is down.

There is a lot of uncertainty in the economy. There is a lot of uncertainty because there are fewer jobs and the unemployment is so high and there is also an increased need for unemployment benefits.

We have to increase investor confidence. They tell me, as I am sure they are telling you—businessmen are telling me, as I am sure they are telling you, over and over again, they are unwilling to invest now. They don't want to take that step to invest. They are afraid. They are a little nervous. Why? Because there is no pricing power. They cannot get people out to buy more of their products. The economy is stalled out. There is no great demand.

Consumer confidence has fallen off, too, actually. But the main reason for businesses not investing is people won't buy their products. They are waiting for citizens to buy more of their products. That is what is happening today. At least that is what all businessmen are telling me. I talk to Republicans and Democrats, Independents and liberals; I don't care who they are. I ask them, What is going on? What do we need to do?

I always get the same answer when I talk to people where the rubber meets

the road; that is, business people, not theoretical economists. I don't mean to disparage the economists, but we all know economic prognoses and economic predictions are all over the lot because people are people. What really counts is those financial statements and those buy orders. Business people face the payrolls and the cost structures that business people face. That is what really counts.

Business people are telling me they are not investing partly because they have overcapacity already and can't use what they have; second, because there is just no great demand.

I also say that after looking at the economy today it is important for us to look at specific goals we think any tax bill, any economic growth bill should contain. One major point about any growth package is that it should take effect as soon as possible. That is what we are talking about here. We are talking about an economy that is stalled out, so any tax bill that is presented before us should take effect as soon as possible. It is an obvious point but one I make because the legislation before us fails totally on that point. It does not take effect soon at all.

We should also look at our long-term fiscal situation; that is, our debt. We should not add needless debts, additional burdens on our children and our grandchildren. We must avoid action today which may have the effect of raising interest rates, particularly mortgage interest rates, not far down the road.

I remind my colleagues that this is only May 2003. Things can change. Things can happen very quickly. Where are we going to be a year from now? Where are we going to be 2 years from now? What actions are we taking today that will have an effect on long-term interest rates? We are lucky that inflation is low, but I can remember when inflation was high and interest rates were very high and that day, unfortunately, will happen again. We don't know when, but we should not take actions to exacerbate that or make it more likely that interest rates will rise more quickly.

We should also address a third goal; that is, we should spread the benefit of the tax reduction among all taxpayers. We are all Americans. We all should benefit, not just the special elite.

Let me turn now to the President's proposal. The President proposes a budget, but under the Constitution Congress legislates. We do not merely rubberstamp the President's budget. We have a job to do. After all, we are supposedly elected to exercise our own independent judgment as Senators.

Many of the President's proposals command broad support. I support a good number of them. They may not be the most efficient stimulative proposals possible, but they should increase some consumer demand, and I, for one, think that is good. Specifically I support—and I believe Senators broadly do—helping families meet

their costs by increasing the child credit to \$1,000 right now. I also support speeding up relief for the marriage penalty.

Let's eliminate that marriage penalty. I also support expanding the 10-percent bracket immediately, to give immediate relief to most taxpayers. They will spend those dollars. They will spend them right away to help rebuild our economy.

Also, I support ensuring we do not worsen the difficulties created by the alternative minimum tax. I am pleased the committee-reported bill includes something on each of these items.

But Congress has a role to temper and improve the President's proposals. From my perspective, several areas are key.

First, the amount of the tax cut package is critical. The absence of fiscal responsibility over the long term affects interest rates now and in the future. We have a duty to be responsible. We must not worsen interest rates and dampen economic growth by passing an irresponsibly large package.

In January, 2 years ago, the Congressional Budget Office projected surpluses of \$5.6 trillion for the next decade. That is an important figure to remember. Surpluses were projected 2 years ago of \$5.6 trillion for the decade. Today, CBO projects the President's budget will result in deficits—not surpluses but deficits—of \$2.1 trillion for the same period. That is a swing of almost \$8 trillion in just 2 years, and recent projections make those projections look overly optimistic.

I might note other bills we are going to have to pay, whether it is Medicare, prescription drug benefits, more AMT—which we all know we will have to pay for relief for the alternative minimum tax—Iraq. Things are not going well in Iraq. That is going to cost money. Who knows what other events are going to occur around the world?

Think a little bit about the burgeoning health care costs which people are facing around this country and how much that is translating into Medicare costs and Medicaid costs, and with the baby boomers starting to retire in just a few years from now.

I believe we would be irresponsible by adding significantly to our deficit.

Our national balance of payments bill, which is how much more we owe other countries compared to what they owe us, is getting larger and larger on an absolute relative scale each year. Someday we are going to have to pay that bill. We all know we are going to have to pay that bill. The question is, When? What day? I would rather not hasten the day of paying that bill, and that bill will not be hastened the more fiscally responsible we are.

The dollar is declining against the euro. The dollar is not tanking. But why is it steadily declining against the euro? Could it be that the investors around the world are beginning to question America's long-term economic policies? I think that is a small

part of it. I can't describe all of it. I don't know. But I raise those concerns.

Clearly, our fiscal circumstances are much less favorable than when we considered the 2001 tax bill. We are in a different situation today, much different from that of 2001.

Today, we must keep the size of the tax bill within narrower limits. Today, we must be more concerned about contributing to higher interest rates. In that regard, I am pleased that the committee-reported bill keeps within the \$350-billion limit over the coming decade that was agreed to during consideration of the budget resolution.

Second, the President's proposal on dividends is troubling for many of us. It must either be eliminated or even more dramatically scaled down. Yes, the tax treatment of dividends might be a worthy subject—as part of a budget-neutral corporate tax reform debate. But the President's dividend proposal—at roughly \$400 billion—is simply too fiscally irresponsible, too complicated, and affects too few taxpayers to be appropriately included in this stimulus package. It borders on irresponsibility.

Only 3 out of 10 tax filers report dividend income on their tax returns. They are the only ones who would benefit from the dividend proposal. In other words, seven out of 10 Montanans would see no tax benefit at all from a dividend tax cut as a consequence. The provisions in this bill should benefit taxpayers more broadly across the income spectrum. That way, they can most effectively get money to taxpayers who would spend it and spur the economy.

The committee changed the President's dividend proposal. Unfortunately, the committee-reported bill also contains an ill-conceived dividend proposal. The bill would exclude from income all dividend income up to \$500. It then includes a 10-percent exclusion for dividend income above \$500 from 2004 to 2007. And the exclusion increases to 20 percent for 2008 through 2012.

On one hand, the dividend exclusion provides simplification. A capped exclusion of \$500 would make it no longer necessary for half of taxpayers with dividend income to report their dividends on their tax returns.

But this benefit is overshadowed by the worst part of the proposal—the 10-percent and 20-percent exclusion for dividends above \$500. This provides a very large tax cut to the elite.

Take the example of a taxpayer who has \$1 million in dividend income. Under the committee-reported bill, that fortunate taxpayer gets to exclude a little more than \$100,000 of dividend income—\$100,450, to be exact. Applying tax rates to this excluded income, this taxpayer would get a tax cut of about \$35,000 a year from the dividend tax cut alone.

A third problem with the President's proposal is the acceleration of the rate cuts for that 1 percent of American elite with income greater than \$311,000.

This proposal alone costs some \$35 billion.

In better times, I would support a package that included benefits for those making over \$311,000. But these are not better times. In better times, I would support a package that included benefits for those who make over \$311,000. But with the budget in the shape it is in, now is not the time to accelerate this rate reduction. This provision is just too costly and too narrow to effectively spur demand and rebuild the economy.

Fourth, more needs to be done to infuse funds to cash-strapped States and localities. The economic downturn has cut State and local revenues dramatically. But State constitutions—as opposed to the U.S. Constitution—require States to balance their budgets.

So State and local governments are forced to make widespread, often painful spending cuts in education, in health, and in other vital programs.

More than half the states are still struggling to balance their budgets this fiscal year. And almost all of them are struggling to balance their budgets for the fiscal year that begins in July.

These State spending cuts, layoffs, and tax increases, I believe, will offset the gains from tax breaks in this bill. And the economic gains to tax breaks for the elite are overstated or theoretical.

Last year, the State of Montana cut benefits for severely mentally ill youth, just in order to make ends meet. The State also made across-the-board cuts in Medicaid provider payments and increased cost sharing—both of which now threaten access to care for low-income Montanans.

If those cuts were not drastic enough, this year, the State legislature just cut more than a quarter of a million dollars from Meals on Wheels for seniors. That will mean about 67,000 meals lost over the next 2 years. And budget constraints have also forced my State to put 700 working families on a waiting list for child care.

Translating Montana's small population to a national level, those cuts are the equivalent of more than 2 million lost meals nationwide. It's the equivalent of a 22,000-family waiting list for child care.

We can pass all the Federal tax cuts we want. But what good will they do if we force States and localities to raise taxes, cut jobs, and reduce benefits?

We can avoid these economically-damaging State and local actions by assisting these governments with their budgets through temporarily raising the Federal Medicaid match and through other, more broad-based methods.

I am pleased that the committee-reported bill includes something in State aid. Unfortunately, the committee-reported bill includes \$20 billion—only a little more than 5 percent of its total—for this purpose. I would have preferred a package that included \$40 billion in State aid; the need is that great.

Fifth, making tax cuts refundable will help spur economic growth. Very simply, it works. They will quickly get funds to people who are likely to spend them rapidly, spur demand, and rebuild the economy.

The President's proposal accelerated the \$1,000 child credit. I supported the increase in the child credit when it was passed in 2001, and I support the acceleration.

But the President's proposal did not accelerate the refundability of the credit. Fortunately, during consideration of the bill, the Finance Committee adopted Senator LINCOLN's amendment to accelerate the refundability of the child credit. The Lincoln amendment will allow many low-income families to take full advantage of the increase in the credit.

Under current law, the credit is partially refundable. Families can take the credit if they pay payroll taxes, but do not have income tax liability. The amount that low-income families can get refunded is set to increase in 2005. Thanks to the Lincoln amendment, this improvement will be accelerated to 2003 along with the increase in the credit. More hard-working low-income families will be able to get up to \$1,000 per child in this credit in 2003, thanks to the Lincoln amendment.

Sixth, we should increase the bonus depreciation deduction for the year that a business purchases new equipment. In 2001, we saw a sharp drop in direct investment by businesses. The next year, we changed the law to give a larger first-year deduction. The drop in direct investment leveled, and even increased slightly. We need to provide more in the depreciation deduction for 2003 to encourage even more business investment.

And seventh, we need to extend unemployment benefits and help those who have exhausted their benefits. The government has reported that nearly 2 million people have been without work for 27 weeks or longer. The average time people have been unemployed is almost 20 weeks—the longest since 1984.

The weak economy has hit everyone. Unfortunately, some more than others. As we rebuild the economy, we should not leave these unemployed workers and their families behind.

Any bill to help rebuild the economy must help those most affected by the bad economy. As well, putting funds in these hands will be an effective stimulus. The recipients of unemployment benefits and their families are likely to spend every dollar they get quickly. This spurs demand which, in turn, helps rebuild the economy.

We cannot glibly assume that all actions we could take here would be equally stimulative. Not all tax cuts are created equal. Not all spending is equally stimulative, either.

A lot depends on when the provision takes effect. A provision that takes effect in 2006 will likely provide less stimulus than one that gets money into the system this year or next.

Much also depends on who receives the benefit. A provision that gets money into the hands of working and lower-income families—people who spend more of what they have, and spend it quickly—will be more stimulative than a provision that transfers money to elites who would save more of it.

Comparing various options for stimulus, a study by Economy.com concluded that extension of the Temporary Emergency Unemployment Compensation program would provide the most effective stimulus of the options they studied. They concluded that every dollar in these unemployment benefits generated an estimated \$1.73 in demand in the year ahead.

In contrast, they estimated that cutting dividend rates and accelerating 2006 rate cuts both would generate less than a dollar's worth of demand in the year ahead for each dollar spent. So, in terms of stimulus, some policy options are better than others, and unemployment insurance would be among the best.

Finally, the Finance Committee improved the President's proposal by adopting a series of small but important provisions that will make people's lives better.

For example, the committee adopted an amendment that Senators HATCH and LINCOLN and I offered to significantly simplify tax return filing for millions of taxpayers. This provision reconciles the five varying child definitions into a single definition for a "qualifying child." It is time for us to stop talking about simplification. It is time for us to do something about simplification. This amendment will at least make it so that we have just one definition of who is a child for purposes of claiming a tax benefit.

Another useful improvement that the committee made to the President's proposal was in repealing the special occupational tax relating to alcoholic beverages. This provision will give much-needed relief and fairness to hundreds of thousands of small businesses.

Because this tax is levied on a per-location basis, a sole proprietorship must pay the same amount as one of the Nation's largest retailers. Locally owned chains pay as much as, if not more than, the Nation's largest single-site brewery. That is not fair, and this change will help.

I make all of these points with the recognition that our differences are not as large as what we have in common. We agree broadly that we need to help create jobs and get the economy moving. We in the Senate should take the steps needed to address these goals.

The economic times that face us call us to govern. We should avoid political point scoring. We must pass legislation to improve the lives of the people we represent.

Each of us was sent here by the people of our States. They sent us here not to make speeches, not to win debates; they sent us here to make life better.

In these difficult times, they sent us here to help create jobs, to rebuild the economy. We have a duty to respond to the times, not the politics. We have a duty to do the people's work.

I thank the Chair.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Wyoming.

Mr. THOMAS. Mr. President, I am glad we have begun this debate to do something that is necessary to help solve a problem we have in this country. Clearly, there will be differences in our views as to how we do this, and I guess that is no surprise. I think most all of us agree something has to be done to help our economy. We do not agree on what is the best way to do that, of course. There are pretty general differences in how it ought to be resolved.

My friends on the other side of the aisle are more interested in sending out money on a short-term basis, sending checks to a bunch of people for 1 year; whereas we on this side are trying to find ways to create jobs, ways to change the economy so there is a future of prosperity rather than some kind of a Band-Aid that will surely wear out at the end of a year. So it is difficult, of course, and I understand that. But I do believe there is a clear difference between having a plan that will do something over time or simply doing something that will have an impact next week but will not continue.

For example, if you are going to do something for businesses, they have to have some confidence that what they are doing is going to last for a while. People do not change the way they manage their business because there is going to be a 1-year kind of a change. I think that is so true. So you have to do something that is a little more permanent than that.

I think we have to have a commitment to see to it that what we do, and what our vision is, really changes the economy—not having a Band-Aid, not having a patch, but doing something that will cause the economy, then, to have a good future for all the families in this country.

One of the differences, of course, is that our view is we need investments to create jobs, not to have a little more spending for a short period of time that will not be enough to stimulate the idea of reinvesting, but to stimulate the economy thus creating jobs.

Of course, by reducing taxes you put money in people's hands over a period of time. Most people have a view as to how they plan to operate economically in the future. One little burst of money does not make much of a difference in what a person does in their economic plan. We need to have something that is dependable for the future. We need something that is stimulative to both the consumer sector and the business sector. In relation to the President's proposal, I think particularly in the media, benefits from dividends have been largely dwelt upon, which is valid, but there is a very large other sector.

The Senator from Montana talked about that. We have a consumer base and a business base, and we need to have both of them.

This bill will have an impact. As a matter of fact, in the first 18 months, \$144 billion is put into the economy. That is a short period of time. That is a lot of dough in a short while. So that is an example of the kinds of things that are in the bill. I think we need to really make sure that we talk about the different items in the bill when we talk about it.

Of course, all of us must recognize we are in an unusual situation. People go back to the late 1990s and compare that period of time to present day. In the late 1990s, we had not had a turnaround in the economy. In the late 1990s and the early 2000s, we had not had September 11, we had not had homeland defense, we had not had Iraq, we had not had an economy that was going down for several years. Today we have a different kind of situation.

So it is sort of interesting to me. I suppose I have tried as hard as anyone to be a budget balancer in this place, but I recognize you cannot talk about the same things under different circumstances. You can talk about balanced budgets all you want—and it is something I surely agree with—but when you are in a pit in terms of the economy, you have to do something so the economy will grow and replace that deficit. That is the whole purpose of what we are talking about.

We face, of course, an economic slowdown that began before the year 2000. The events of September 11 changed our world, stopped any recovery. The uncertainty of where we have been over the last several years has slowed down investment. There is no question about that. Now we are a little closer to the end of that, hopefully. The war and ongoing terrorism have created a challenge.

We have to create an environment that spurs both short- and long-term growth. The idea that we ought to do something for just a year to help the economy has been tried. It did not work. If you are a businessperson, if you are planning for your family, if you are doing anything long term, you have to know what you are doing is not going to expire in the next 9 months. So I think that is an important idea for us to build on.

Of course, tax reductions will very quickly put money in people's pockets—and a very broad part of the economy, as a matter of fact. That will help create the confidence necessary to do some of what this economy needs.

I disagree with those who maintain that the answer to strengthening our economy is to go on another Federal Government spending binge. I believe we are already spending too much. I am interested in reducing taxes and changing some of the ways we do business.

But we are talking now about a bill that moves us in the right direction,

one that has innovation and inspiration for investment, wanting to do something that gives incentives to do that.

I was just in Wyoming over this past weekend talking to the Governor about the economy and the vision we want for our State and our country and our families over time, we need to really kind of know where we are going so we can measure what we do against what we do in the interim to see if we are going to get there. The governor said something about: I am more interested in figuring out what to do, getting on with it.

Getting on with it doesn't work unless you know where you want to go. That needs to be part of the case here.

Today we are considering a tax relief bill that will point the economy in the right direction. It is a good package. It puts money in the pockets of hard-working Americans, spurs investment, builds confidence in the economy, creates employment opportunities throughout America. Employment opportunities are the key.

Some of the provisions include accelerating the reduction in individual tax rates for everyone. As to this idea that it is just for the wealthy, of course, someone who pays a great deal in taxes gets more dollars out of it, but as a percentage, it is to help everyone. It increases small business expensing limits. One of the real things we can do is cause these small businesses to invest. It creates increased relief for individuals on the minimum tax. We have these tax deductions all along the line. And then we say, yes, but you can't use them because we have a minimum tax. I agree with the Senator, we need to do some tax changes just in the structure. Increase the child tax credit. We talk about dividends.

There are other things that are there: provide marriage penalty relief and, of course, the dividends. The dividends are not so much entirely just what people get out in dividends, but what it does to the corporate sector in how they function, how they operate, how they will be expanding, how they will create employment. These go beyond simply the distribution at the moment.

I am particularly pleased with the provisions that benefit small businesses; namely, of course, the acceleration of the individual tax rates. It increases small business expensing limits. Four out of five businesses have fewer than 20 employees. Generally we are talking about small business. Small firms are responsible for 55 percent of the new innovations and changes. From 1994 to 1998, nearly 11 million net jobs were added to the economy. Businesses that employed fewer than 20 workers created 80 percent of those jobs over that period of time.

It is a share of the private and non-farm gross productive produced by small businesses which sustains stability over time. It is approximately 50

percent of the GDP. We need to take a long look at that.

One of the things I think is important that we ought to talk about is the taxpayers in the highest income brackets are often entrepreneurs and small business owners, not just high-paid executives or people living off investment. Small business owners typically report their profits in their individual income tax returns. So that individual income tax is effectively the small business tax. When we talk about people who are earning more money getting some reduction, often those are small businesses that will put that money back in terms of investments.

Small businesses frequently pay the highest marginal rate. Taxpayers in the highest rate currently face a marginal rate of 38.6 percent. Although they file less than 1 percent of all tax returns, these taxpayers account for 16 percent of reported income, more than 31 percent of individual income tax payments.

Small business owners receive almost 80 percent of the tax relief from the top marginal tax rates of 35 percent. What we are seeking to do is to generate those jobs in the small businesses. Particularly, I suppose, in States such as Montana and Wyoming where almost all of our businesses are small, that is a crucial part of the economy. More than 98 percent of all companies have fewer than 100 employees. This is where we ought to be really focusing.

We talk about the dividend exclusion, of course, the economic impact of it. Double taxation of corporate earnings can eat up 60 percent of the profits, and the Federal tax is 35 percent at the corporate level, and another 38.6 percent of the remaining 65 percent at the individual level. There is something wrong with that—if you invest in a company and that money, before you can get it back, is taxed at that rate. That doesn't, of course, include any State or local taxes. So the tax burden on dividends could be higher than 60 percent.

This bill is a downpayment on ending double taxation. It is less than the President asked for. It is really less than the House has in theirs. But it is something that has a real impact on the future of jobs in this country.

We have a real challenge before us. I know we will be involved in many different views and all kinds of debate and discussion. There will be a great deal of interest in sending money back to the States. There is quite a bit of evidence that in most States over the last few years spending has gone up tremendously, taxing has gone down. So there are going to have to be some changes there. In our bill we put \$20 billion, most of it to be designed for Medicaid. I hope, again, that we don't, in this effort to do something to help, increase the long-term arrangement as to who is going to pay for these various programs. I happen to be one who thinks government closer to the people is the best way to go and that we ought to



give the States more and more opportunity to do their own thing by reducing our taxes. And if they need more taxes, that is where it ought to be, so that it can conform to the needs of a particular State.

We are going to be involved. As I understand the rule, there is a 20-hour limit on the debate on this reconciliation bill. That is good. We will need to address ourselves to a good many amendments. We talked about a good many of them in our committee before we got here. They deserve consideration. We should do that. All I ask is that we keep in mind we really ought to have a goal. That is to strengthen the economy in a way that extends over time; that we create opportunities rather than payouts; that we have an opportunity to have a stronger economy for a period of time. And that is really what it is all about.

I yield the floor.

The PRESIDING OFFICER. The acting Presiding Officer is pleased to recognize the distinguished chart king from North Dakota.

Mr. CONRAD. I thank the Chair. I won't disappoint.

I would like to respond to some of the arguments my colleague from Arizona made in his remarks because he referenced a number of matters which are mistaken. First, the Senator from Arizona said the current weakness in the economy is not a result of weak consumer demand. He then referred to numbers last year where for a couple of quarters consumer demand was good.

Weak consumer demand is right at the heart of the weakness of this economy. Consumer demand in the first quarter of this year went up at 1.4 percent. That is tepid. That is weak. That is right at the heart of the weakness of the economy. In the last quarter of last year, consumer demand went up 1.7 percent. That is right at the heart of why this economy is weak. People have lost confidence, and they have lost jobs, and they are not buying. That is why companies aren't investing.

Have we missed what has occurred? Our colleague said it is a capital problem, a lack of capital. That would suggest we have a lack of capacity in our manufacturing. That is not what we are seeing. The capacity of America is operating at 74.8 percent. That means 25 percent of the manufacturing capacity is idle. Why is it idle? Is it because of a lack of investment? Absolutely not. It is idle because there is a lack of demand. People are not buying. If we want to give a lift to the economy, we ought to strengthen consumer demand so they will buy from our businesses, so our businesses will have a reason to invest.

We know we have overcapacity in telecommunications, in computer chips, and in area after area. The reason we have a tremendous bubble in markets is because overcapacity developed.

That takes us to the plan before us. I believe the plan the President has put

before us is ineffective with respect to dealing with the weakness in our economy. I believe it is fiscally irresponsible, and I believe it should be defeated. I believe the President's plan will actually weaken the economy further because it is going to explode the deficits and debt we see in this economy.

Finally, the proposal is unfair because it is heavily weighted to the wealthiest among us. One of the assertions made by my colleague from Arizona was that our corporate taxes are very high in this country. They are not. On this chart is a comparison of taxes made by the Organization for Economic Cooperation and Development, which is the international scorekeeper. This looks to the most recent year for which they have full figures. For corporate income taxes as a percentage of gross domestic product, the average is right here, about 3¼ percent. The United States is way down here on the chart. The suggestion that we have the second highest taxes on corporations next to Japan is just not so. It is just not so.

The reason they come to the conclusion they do is they take our nominal tax rates—the tax rates that are in the law books—and forget to look at what actually happens when you start paying taxes: the deductions, the writeoffs, the ability to reduce your tax burden from what is in the law. Certainly, we all know what the tax rates are in the law. But that isn't what the corporations pay. In fact, corporations pay substantially less than that because of deductions, exclusions, and writeoffs. So the reality is that we are a relatively low cost tax jurisdiction when you compare us with other countries in the world.

When we look at the question of stimulating the economy, I think this comparison is important. On this chart is Senator DASCHLE's plan. Here is the first-year cost and the 10-year cost, compared to what is before us in the Senate—called the Senate Finance Committee plan—and this is the House plan. You can see that in terms of stimulus, in terms of giving lift to the economy now, Senator DASCHLE's plan is far better, far stronger than the other competing plans. He has \$125 billion of stimulus to the economy this year. The bill before us has \$44 billion. The bill from the House has \$48 billion in the first year. So they have very little lift to the economy in their plans.

Let's think about it logically. We have a \$10.5 trillion economy, and they are proposing giving a \$45 billion, or \$46 billion, or \$48 billion lift—in a \$10 trillion economy. Most economists say you have to at least have 1 percent of gross domestic product to 1.5 percent to have any significant effect. They are far short of that—less than one-half of 1 percent. They are not going to give any meaningful lift to the economy. Senator DASCHLE's plan is about 1¼ percent of the gross domestic product. But, in addition to that, his cost over

10 years is much less. Their cost over 10 years is much more.

Why is that important? Because we know we are already in record deficit and we know that if we follow the President's plan, the deficits are going to explode, leaving us in a totally unsustainable situation.

Now, some have gone out and analyzed the effect on jobs of these various plans. Here is what they have found. Comparing the Democratic plan to the President's plan, they found that our plan gives about twice as much lift to the economy in the first year as does the President's plan. In the second year, it is about twice as much lift to the economy. But we do not have the negative long-term effect that the President's plan has.

Some people may look at this and say, What negative effect could the President's plan have long term? Well, economists have studied his plan—including 10 Nobel laureates in economics—and they have said the President's plan is not an economic plan, not a job growth plan; it will hurt long-term economic growth; it will diminish job creation in the country because it is all financed with borrowed money. The deadweight of those deficits and debt is going to hurt our long-term economic condition.

You know, it is interesting, the people hired by the White House to make these determinations came to that same conclusion. This is a group called Macroeconomic Advisers, hired by the White House to do macroeconomic analyses—our own budget office—and here is what they told us: The President's policy will give a short-term boost before 2004, and then it is worse than doing nothing.

After 2004, look at what happens to economic growth under the President's plan, according to Macroeconomic Advisers. It gives a short-term boost right before the 2004 election, and then look at what happens to economic growth. It plunges, and you are better off for the long term having done nothing.

How can that be? Here is what Macroeconomic Advisers—I didn't hire them, the White House did; the Congressional Budget Office hired them. Here is what they said, talking about the President's plan:

Initially the plan would stimulate aggregate demand by raising disposable income, boosting equity values, and reducing the cost of capital.

These are arguments our friends on the other side of the aisle have made.

However, the tax cut also reduces national saving directly while offering little new, permanent incentive for either private saving or labor supply. Therefore, unless it is paid for with a reduction in Federal outlays, the plan will raise equilibrium real interest rates, crowd out private sector investment, and eventually undermine potential gross domestic product.

That is not a plan that is an economic growth plan. It is a plan that will undermine long-term economic growth. It is not just economy.com and 10 Nobel laureates in economics, and it



is not just Macroeconomic Advisers. Here is a group of 250 of the leading CEOs in America's Committee on Economic Development. They say the current budget projections seriously understate the problem of the growing deficits. They say while slower economic growth has caused much of the immediate deterioration in the deficit, the deficits in later years reflect our tax and spending choices. Deficits do matter. The aging of our population compounds the problem. I think they got it exactly right and the President has it exactly wrong.

This is the chart that tells us what is happening to our budget deficits. This chart shows us that the deficits are skyrocketing. In fact, they will be between \$500 billion and \$600 billion this year. We have never had a budget deficit of more than \$290 billion in our country's history, and we are heading for a deficit, on an operating basis, of over \$550 billion. That is on an operating basis.

To be fair, on an operating basis, I think the previous record deficit was \$350 billion or \$360 billion. So this is by far the biggest deficit, on an operating basis, we have ever had. It doesn't end anytime soon. The whole rest of this decade, we are running operating deficits, each and every year, of over \$300 billion.

Let's review the background of how we got here. You will recall that 2 years ago we were told by the administration we could expect almost \$6 trillion in surpluses—\$5.6 trillion in surpluses, we were told, over the next 10 years. Now we see, according to the CBO, if we adopt the President's tax policy and his spending policy, instead of surpluses, we will have \$2 trillion in deficits. That is fiscally irresponsible.

I am not talking about the short term. The Senator from Wyoming said you sometimes have to run a deficit to give lift to the economy. I agree with that. But we are talking about never getting out of deficit, according to the President's plan.

Take his own budget documents—and I will show them in a moment—according to the President's analysis of his own plan, you never escape from deficits, and they absolutely explode as the cost of the tax cuts increase at the very time the cost of the Government increases with the retirement of the baby boom generation.

Where did all that money go? Where did it go? Nearly an \$8 trillion turn in 2 years—a turn for the worse. Where did it all go? The biggest chunk went to the tax cuts, those already passed and those proposed. That is 36 percent of the disappearance of the surplus.

The second biggest reason is additional spending in response to the attack on this country and the war. That is 28 percent of the disappearance of the surplus—increased spending for defense, increased spending for homeland security. Oh, no, this is not a matter of the Democrats were spending money. We all supported increasing defense

spending and increasing homeland security.

The third biggest reason for the disappearance of the surplus, 27 percent of the reason is lower revenues, not as a result of tax cuts, but revenues lower than anticipated because the models predicting how much revenue we would get have simply been wrong. This is lower revenue, not as a result of tax cuts. Lower revenue is the third biggest part of the reason for the disappearance of the surplus. Those two together are 63 percent.

Only 9 percent of the disappearance of the surplus over the next 10 years is because of the economic downturn.

Now we have record budget deficits. The surpluses are all gone, and we are talking about massive deficits. What our friends on the other side of the aisle recommend is more tax cuts, massive tax cuts; not just tax cuts this year or next to give lift to the economy at a time of weakness, but tax cuts that go on in perpetuity.

They are not the tax cuts that have been advertised on television. They say there is a debate between \$350 billion in the Senate and \$550 billion in the House. That is not what the budget provides. The budget that our Republican friends passed provides for \$1.3 trillion of additional tax cuts; \$350 billion reconciled in the Senate bill, and another \$200 billion allowed in the conference report. Then there is the part the media never talks about, another \$725 billion of tax cuts that are the so-called unreconciled tax cuts, which simply means they are not given special protection on the floor from the normal operating procedures in the Senate.

Here we are with record deficits, and our friends propose another \$1.3 trillion. Look, some of us are supporting tax cuts as well. I support additional tax cuts this year and next to give lift to the economy now, but I do not support running massive deficits that are only made deeper and more serious by tax cuts that have effect 5 years from now, 8 years from now, 10 years from now, and 15 years from now. It does not make any sense.

When I say we are faced with \$2 trillion of deficits in the next 10 years according to the Congressional Budget Office, others say the deficits are going to be much more serious than that. Goldman-Sachs, a very distinguished private investment firm, has done an analysis. It says: No, the deficits are not going to be \$2 trillion over the next 10 years; they are going to be \$4 trillion. In fact, they are going to be \$4.2 trillion when they do their estimates of where things are headed.

To buttress their idea, if we just look at the first 7 months of this year and the revenue that is coming in, what we see is it is \$100 billion below the forecast. The forecast that was made just 7 months ago is proving to be all wrong. The revenue is running \$100 billion below the forecast.

If that trend continues this year, we are going to have the lowest revenue to

the Federal Government since 1959. When revenue was at a high percentage of the gross domestic product, the President said: You have to cut taxes; you are getting too much revenue; people are being overtaxed. So we did cut taxes. We cut them dramatically in 2001. Now we are headed for a circumstance in which the revenues are going to be the least since 1959, and the President's answer is cut taxes some more.

Again, I would support tax cuts and additional spending to give stimulus to the economy now. And yes, spending stimulates just like tax cuts do. In fact, they are probably a little better because at least some part of tax cuts get saved and do not get into the economy and do not stimulate the economy.

I would support a balanced package. I would certainly support additional tax cuts now to give lift to the economy now. Remember, very little of the President's proposal is effective now. Very little of the proposal before us is effective now. About 5 percent of the President's plan is effective this year. Ninety-five percent is off in the future. It makes no earthly sense. He is giving tax cuts when he is forecasting the economy to be strong. He is giving tax cuts when he is forecasting massive deficits. He is giving tax cuts right on the eve of the retirement of the baby boom generation when the cost of the Federal Government is going to explode.

Two years ago, the President told us: Adopt my plan and we will pay off virtually all the debt. That turned out to be wrong, too. This year, we have had \$6.7 trillion of gross Federal debt. Now the Congressional Budget Office tells us if we adopt the President's plan, 10 years from now we will have \$12 trillion of debt. The debt is going to almost double and at the worst possible time because the baby boom generation is going to start to retire.

I think the juxtaposition of all this is really odd. Maybe that is the best word to put to it. The President is asking for a massive tax cut when we already have record budget deficits, and at the very time our Republican colleagues are asking for the biggest increase in our debt in the history of the country. They are asking for a \$984 billion increase in the debt. The largest increase we have ever had was in the President's father's administration when the debt was increased at one fell swoop by \$915 billion.

The President today said to the American people: This money is not the Government's money, it is your money, and you ought to get it back. I agree with the President absolutely. The money that comes to the Federal Government is the people's money. He is absolutely right. But this debt is the people's debt. Social Security is the people's Social Security. Medicare is the people's Medicare.

Make no mistake about it, we the people are on the hook for this debt.

When the President says, when we are already running record deficits, cut the revenue some more and increase spending—remember, the President's budget plan was not cut taxes and cut spending. The President's budget plan was to increase spending and to cut taxes, even when we have record deficits. The result is a massive explosion of debt, and it is the people's debt, make no mistake about that. In the future, when they come around to start to retire this debt, it is all of us who are going to be on the hook.

Maybe it is not going to be us. Maybe it is going to be our kids. Maybe that is the idea. Let us give ourselves big tax cuts. I would be a big beneficiary of those tax cuts.

I would get thousands of dollars of tax relief under this plan. I do not think it is right to give me a big tax cut now and shuffle it off to my kids and everybody else's kids. That is what is happening. That is, again, not my estimate of what is happening. This is from the President's own budget document. This is his long-term outlook of what happens if we adopt his plan. This is on page 43 of his analytical perspectives, and it shows the deficits now which, remember, these are record deficits. They look small on this chart because that is in comparison to what is to come. This is in percentage of GDP terms. This is not in dollar terms. So this is an apples-to-apples comparison.

Look what is going to happen if we adopt the President's spending and tax cut plan. The deficits explode, according to his own analysis of his own plan. It is not surprising why that is the case. This is the chart that tells it all. The blue bars are the Medicare trust fund. The green bars are the Social Security trust fund. The red bars are the tax cuts. What it shows is right now the trust funds are running big surpluses in anticipation of the retirement of the baby boom generation. But instead of using that money to pay down debt or prepay the liability, we are taking it and using it to pay for tax cuts.

What happens when those trust funds go cash negative when the baby boomers retire? Under the President's plan, at the very time the trust funds go cash negative, the cost of the tax cuts explode. Does this make sense? Is this really an economic growth plan? We are not talking about tax cuts now to give a lift to the economy when it is weak. We are talking about tax cuts that explode 10 and 15 years from now at the very time the expenses of the Federal Government explode because of the retirement of the baby boom generation.

Some are saying, well, deficits really do not matter. We do not need to worry about deficits anymore. The Chairman of the Federal Reserve Board thinks deficits matter. This is what he said to the Senate Banking Committee:

There is no question that as deficits go up, contrary to what some have said, it does affect long-term interest rates. It does have a

negative impact on the economy, unless attended.

He is exactly right. Deficits do matter. They always have. When Chairman Greenspan looks at this tax cut, here is what he says: Without spending reductions, they could be damaging to the economy.

With a large deficit, Mr. Greenspan said, you will be significantly undercutting the benefits that would be achieved from the tax cuts.

Not only is this time—

The PRESIDING OFFICER. The time of the distinguished Senator has expired.

Mr. CONRAD. I ask unanimous consent for 1 additional minute.

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

Mr. REID. One additional minute on the other side.

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

Mr. CONRAD. Mr. President, I conclude by saying not only is this plan ineffective in terms of giving lift to the economy and irresponsible in terms of the exploding deficits and debt, but it is also unfair. It is unfair because it overwhelmingly gives the greatest benefit to the wealthiest among us.

The effect of this plan on people earning over \$1 million in 2003 is this: They will get a \$64,000 tax cut on average. That is for those earning incomes of over \$1 million. Those who are in the middle of the wage distribution in our country will get a tax cut of \$233.

We heard earlier that this thing has tremendous benefits to the elderly. Well, it certainly does. It has tremendous benefits to those who are wealthy who are elderly. Elderly earning more than \$500,000 a year would get a \$24,000 tax break.

The PRESIDING OFFICER. The additional minute requested by the Senator has expired.

Mr. CONRAD. I ask unanimous consent for an additional 30 seconds.

Mr. REID. The same on the other side, Mr. President.

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

Mr. CONRAD. I conclude by saying that if one is elderly and earns less than \$50,000 a year, they will get a \$90 tax reduction. If they are elderly and earn more than \$500,000, they get a \$24,000 tax reduction. That is not my idea of fair. That is not my idea of being effective for economic growth, and it is ultimately self-defeating because the plan is all financed by borrowed money.

The PRESIDING OFFICER. The additional 30 seconds requested by the distinguished Senator has expired.

Mr. REID. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. REID. When and if we complete the morning business—which I understand there is a minute and a half remaining; is that right?

The PRESIDING OFFICER. That is correct.

Mr. REID. What would be the order before the Senate at that time?

The PRESIDING OFFICER. There is 11 minutes remaining. I am in error.

Mr. REID. What would be the order following the majority using its 11 minutes?

The PRESIDING OFFICER. The Senate has an order to proceed to S. 2.

#### UNANIMOUS CONSENT REQUEST— H.J. RES. 51

Mr. REID. Mr. President, I ask unanimous consent at this time to proceed to H.J. Res. 51 prior to taking up the reconciliation bill. I ask unanimous consent to take into consideration the previous order that was entered regarding the debt limit. We have been told that the President must sign a bill increasing the debt limit by no later than Monday morning; that the country is in deep trouble with the debt.

I ask that we move to this matter. We have a unanimous consent agreement that would be in effect, and we could finish it in 1 day. I ask unanimous consent that we do that prior to moving to the tax bill.

The PRESIDING OFFICER. Is there objection?

Mr. THOMAS. I object.

The PRESIDING OFFICER. The objection is heard.

The distinguished Senator from Wyoming is recognized for 1½ minutes.

#### UNANIMOUS CONSENT REQUEST— MORNING BUSINESS

Mr. THOMAS. Mr. President, I ask unanimous consent that morning business be extended until 4:30 with the time equally divided.

The PRESIDING OFFICER. Is there an objection?

Mr. REID. I object at this time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, I ask unanimous consent that the Senator from Louisiana be recognized for up to 5 minutes and that immediately following his statement—he be recognized as in morning business—the Senate return to a quorum being called.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The distinguished Senator is recognized.

Mr. BAUCUS. Mr. President, before the Senator proceeds, the Senator has an important statement to make. I urge that all conversations cease, since this is an important statement and out of respect for the substance of his remarks.

The PRESIDING OFFICER (Mrs. DOLE). The Senate will be in order so the Senator may be heard.

Mr. BREAUX. I thank the distinguished Senator.

#### EULOGY OF RUSSELL LONG

Mr. BREAUX. Madam President, I rise today to comment on the unfortunate and untimely passing this Friday evening of a great American, a former colleague of many of us in this body, the former distinguished Senator from my State of Louisiana, Senator Russell Long.

Someone once observed that "the greatest truths are the simplest, and so are the greatest men." This, indeed, was Russell Long, a simple man who loved his family, his God, his country, and our State of Louisiana. He was a man who always answered the call of duty and who, to quote Russell, always "did the best he could as God gave him the light to see."

Russell Long was my colleague. He was my partner in the Congress, he was my teacher, and he was also my friend.

Russell Long was a Senator in the last century, but his vision, his ideas, and his views on how a government should work will last as long as history is recorded.

I do not think it is an insult to say that Russell Long was a simple man who achieved greatness by answering the call of duty. Knowing him as I did—and many of us did—I believe he would proudly accept that description.

As a boy of only 16, Russell watched as his father died from an assassin's bullet and then dutifully accepted the call to fulfill and complete his father's unfinished work. Anyone who knew Russell understood how much he loved his dad and how much his father's legacy meant to him.

Some might have regarded that legacy as an awesome and unwelcome burden. Russell, himself, sometimes strained under the weight of high expectations and the harsh reviews that historians and journalists wrote about his father. But he never forgot that he was Huey Long's son. And, so, he dutifully dedicated his life to the work his father had started. The result, as we all know, was the body of law that created employee stock ownership plans. Those of us who knew him understood that this was Russell's most passionate work and, to him, a modern version of Huey's "Share Our Wealth" program. Just as his father was a champion for the poor and dispossessed, so did Russell become one of the most effective advocates of the notion that every American has a right to share in the great wealth and opportunity of the United States.

Just as he answered the call of duty when it came to his family legacy, Russell also answered the call of duty when it came to serving his country. In 1942, during the darkest hours of the Second World War, Russell volunteered to serve his Nation in the Navy. During

the war, he distinguished himself in battle as the commander of a landing craft in the Mediterranean Sea during the Allied invasions of North Africa, Sicily, Italy and Southern France. Russell Long was truly among our greatest generation—a man of courage valor, faith and compassion—a patriot and a true American hero.

Russell answered the call of duty to his country in other ways. In 1948, when Senator John Overton died, Russell followed his father and mother into the U.S. Senate. He was sworn into office alongside other men elected that year—giants such as Lyndon Johnson, Hubert Humphrey, Robert Kerr, and Paul Douglas. In a body that had disdained his father, Russell—he was only 30 years old at the time—began a remarkable 38-year career during which he worked tirelessly and effectively on behalf of the poor, the elderly, and average Americans who wanted a chance to achieve the American dream.

As there are 100 Senators, there are 100 Russell Long stories, from Uncle Earl to his father Huey, to Russell's theory of fair taxation summarized in his immortal words, "Don't tax you, don't tax me, tax that fellow behind the tree."

Were I to list Russell's legislative achievements, we would be here all afternoon. But I don't think it is an overstatement to say that few people in our Nation's history have had more of an impact on our Nation's laws than Russell Long. Tens of millions of elderly people have literally been saved by Medicare—the health care system that Russell and Lyndon Johnson crafted and enacted in the Senate in 1965. Millions more handicapped people today have a better quality of life because Russell Long thought it important to expand the Social Security system to include the disabled. That happened in 1956 and it was the first major expansion of the Social Security system—and it would not have happened if not for Russell's tenacity in seeing it through to passage.

Millions of poor working Americans today have Russell Long to thank for the Earned Income Tax Credit, an idea he developed and passed into law in the early 1970s. Then and now, the EITC remains the cornerstone of our Nation's effort to give the working poor a better chance at a decent standard of living.

Russell also cared deeply about our American system of government and, in the wake of the Watergate scandals, worried that Americans might lose faith in the system he had fought—literally fought—to protect. For that reason, he pushed through legislation to change the way that we finance Presidential campaigns and established the tax form check-off that has guaranteed the integrity of our Presidential elections for more than a quarter century.

During my 14 years in the House, I had watched Russell closely. I admired him, learned from him, and felt privileged to say that I had served with him in the Congress. And I remember how

excited I was when Russell finally realized that I was a congressman and not a young staff member.

But it has been my service on the Senate Finance Committee—the committee he chaired for 14 years—that has taught me so much about the genius and skill of the man who dominated the Senate for so many years. It was because of men such as Russell that the Senate worked so well during the 1950s, 1960s, 1970s and 1980s.

With Russell, his colleagues were neither Republican nor Democrat. They were just Americans who he considered his friends and colleagues in the Senate who were elected—as he looked at his life—to make Government work for the people we represent.

On a personal level, Lois and I will always remember Russell Long as a kind, decent, generous man who welcomed us into his life and invited us to share in a cause greater than ourselves. Carolyn was the love of his life, a gracious and charming lady, who became his partner in every way and is still known in Washington and Louisiana as one of the best and talented partners a public official could ever have. To Carolyn, Kay and Pam, I know I speak for Russell's colleagues in the Senate and for the people of this State when I say how grateful we are for the life of this simple man who dutifully answered the call to greatness.

So today we gather in sorrow because we have lost a friend, but let us all be thankful for having been here when Russell Long was here. May the Good Lord take him into his hands and welcome him into the Kingdom of Heaven.

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

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

#### CONGRATULATIONS TO KELO-TV ON 50 YEARS OF SUCCESS

Mr. DASCHLE. Mr. President, in 1953, Joe L. Floyd opened the doors of South Dakota's first television station, and began his mission to provide television programming to even the most remote areas of our State. Since then, South Dakotans have had the comfort of knowing there was somewhere they could turn to obtain critical local information and programming. Through tornados and blizzards, KELO-TV has been there. Today, I come to the floor of the Senate to congratulate KELO on its 50th anniversary.

Providing television coverage to a rural State like South Dakota is no small challenge. The severe weather and vast distances make it difficult to get the airwaves into the homes of viewers, let alone to provide them with

high-quality broadcasting and information in the manner KELO has over the years. In fact, after several towers were lost, many dubbed KELOLAND to be the Bermuda triangle of television towers. To KELO's credit, these setbacks never kept the station off the air for long, as their engineers scrambled around the clock to get the station up and running again quickly.

Despite the fact that KELO does not service any major metropolitan areas, it has always tried to take advantage of the most cutting-edge technologies that would allow them to offer the best local broadcasting to its viewers. Some of the station's technological highlights include: In 1955, KELO broadcast the first live local news broadcasts from the second floor of the Hollywood Theater Building. In 1957, KELO aired a game between Sioux Falls Cathedral and Marty Mission—the first live broadcast of a sports competition in South Dakota. In 1968, KELOLAND TV was the first station in the area to air the local news and programming in color. In 1991, KELOLAND TV was the first local station to bring closed-captioning of newscasts and many other programs to the deaf and hearing-impaired community. In 1997, KELO installed the first local Doppler weather radar report that allowed residents to have the most up-to-date information on the rapidly developing storms and severe weather conditions for which South Dakota is famous. Finally, this year, KELOLAND brought digital programming to the area.

KELO's commitment to its viewers has also been recognized nationally. In 2000, KELO's commitment to public service was rewarded with an Emmy in the Public Service Announcement—Campaign category. In 1999, KELO earned the "Friend in Need" Service to America Award from The National Association of Broadcasters (NAB) for its outstanding coverage of the devastating tornado that struck the town of Spencer, South Dakota. Not only did KELO provide award-winning coverage of this devastating tornado, the station also helped raise more than \$1 million for the Spencer Tornado Relief Fund.

Most importantly, KELO has shown a sustained commitment to providing South Dakotans with the critical information they need about their communities. Whether it is news, weather or sports, local viewers have always been able to turn to KELO for accurate information.

I am proud to say that my staff and I currently enjoy a great working relationship with those who work at KELO. We know that we can always come to expect a fair and balanced approach to coverage of the issues and stories in which we are involved. Given KELO's history of honest and intelligent reporting, its viewers expect nothing less.

#### CBO REPORT

Mr. DOMENICI. Mr. President, at the time Senate Report No. 108-43 was

filed, the Congressional Budget Office report was not available. The report is now available on the CBO website at [www.cbo.gov](http://www.cbo.gov).

#### HONORING CHIEF WARRANT OFFICER HANS N. GUKISEN

Mr. JOHNSON. Mr. President, I rise today to pay tribute to CWO Hans N. Gukeisen, a South Dakotan who was killed on May 9 while serving in Operation Iraqi Freedom.

Chief Warrant Officer Gukeisen was a member of the 571st Medical Company and was stationed at Fort Carson, CO. He was killed when the Black Hawk helicopter he was copiloting crashed near Tikrit. Hans was on a mission to evacuate an Iraqi child who had suffered serious injuries in an explosion.

Chief Warrant Officer Gukeisen had joined the military in 1989 after graduating from Lead High School in Lead, SD. Although he left the military for a short time, he had continued his service by joining the South Dakota National Guard. To pursue his dream of becoming a helicopter pilot, Hans had re-enlisted in the Army and was assigned to the air ambulance of the 571st Medical Company.

Chief Warrant Officer Gukeisen's mother Margaret lives in Hill City, SD, and his father Terry in Lead. Hans' older brother Ray is also serving in the military as a Special Forces instructor at Fort Bragg. I know they, and everyone who knew Hans, will miss him deeply. Hans gave his life while helping defend America's liberty, freeing the Iraqi people, and, specifically in this mission, trying to save the life of a badly injured child.

Margaret has said she will remember her son as someone who loved hunting and fishing. These are common pastimes for a boy growing up in South Dakota. But I know the Gukeisen family, and the entire State of South Dakota, will also remember Hans as a hero who died while proudly serving his country.

Mr. President, I join with all South Dakotans in expressing my sympathies to the family of Chief Warrant Officer Gukeisen. I know that he will always be missed, but his service to our Nation will never be forgotten.

#### SUPPORT FOR NATO ENLARGEMENT

Ms. LANDRIEU. Mr. President, when NATO formed in 1949, the world had been liberated from the grips of Hitler and the Japanese. But, the rise of communism and the Soviet Union brought new threats and the fear of nuclear war. NATO was created with vision and vigor to combat, through political and military means, the spread of communism. NATO has succeeded.

Today, the Soviets are gone, and a partnership between Russia and NATO is growing. Still, freedom-loving societies have been threatened anew by state and non-state supported terror-

ists looking to achieve their destructive aims through the spread of WMD.

The question looms whether NATO will address these new threats or be pushed to the side because it was unable to transform when the cold war ended. Some have said NATO's mission ended when the Berlin Wall fell. Some have even said NATO is dead. Well, I do not think NATO is dead. Now is the time to recommit ourselves to NATO to ensure that the world's greatest alliance for peace perseveres and is improved to remain strong for another 50 years. To do so, NATO must adapt its mission to deal with today's threats. NATO members must commit to a common defense with both policy and budgetary commitments that improve interoperability and reduce the capabilities gap between the U.S. and other members. As NATO's largest and most powerful member, the United States and her leaders in the Senate stand ready to strengthen NATO and repair recently strained relationships amongst NATO members. We must do so, and we must take the first step by supporting NATO enlargement and the admission of seven new members: Romania, Bulgaria, Estonia, Slovenia, Slovakia, Latvia, and Lithuania.

NATO expansion makes strategic sense because expansion creates a united Europe. The addition of the seven aspirants creates a land bridge forming a contiguous alliance on the European Continent. Now, Western Europe from the Atlantic will be connected with its allies in Greece and Turkey on the Mediterranean and Black Sea. With the Partnership for Peace, NATO spreads across three continents. Bitter enemies just 13 years ago are now reliable allies.

NATO membership is a carrot to political and economic reform to all nations wishing to join the alliance. Again, just 13 years ago, the seven proposed new members of NATO were under the darkness and weight of the Iron Curtain. Today, they are burgeoning democracies committed to market economics. To be in NATO, a democratic form of governance is needed. Spain, Greece, and Portugal undertook political reforms to gain NATO approval, and the same is true today for the seven countries currently seeking NATO admission.

The seven new members are ready to actively participate and contribute to a robust NATO. In fact they are already doing so. I would like to cite Romania as one example. Romania has undertaken major political and economic reforms. Romania overthrew Nicolae Ceausescu—a ruthless and oppressive totalitarian leader. Since being unshackled, Romania has celebrated its freedom. Romania has held four nationwide elections, and democracy is blossoming.

Romania is also committed to the defense of the members of the NATO alliance, both in Europe and the U.S. Some have questioned what the seven new members can bring to the table to

benefit NATO. We need not question whether Romania will be a positive force within NATO. Romania has risked the lives of its soldiers for the benefit of the United States.

Participation in Operation Desert Storm—Romania contributed a military hospital company to the Allied Forces.

Participation in Afghanistan—Romania used its own airlift, a C-130, to transport a battalion of soldiers to Afghanistan. These forces have made two rotations. Romania is currently involved in the peacekeeping mission in Afghanistan.

Operation Iraqi Freedom—Romania mobilized its military police and a nuclear, biological, chemical detection team to work alongside U.S. forces in Iraq.

Currently 5,000 U.S. marines are based at Constanza, Romania. Our strategic threats are different today than they were 50 years ago. We are no longer endangered by Russia. Today, the greatest threat to NATO and its members is the threat of terrorism and the spread of weapons of mass destruction. As a result, the U.S. should consider whether it would be wise to reconfigure our forces overseas.

Our new threats are coming from the Middle East and southwest Asia. Romania and Bulgaria are halfway between Germany and the Middle East. Moving bases closer to the threat will allow the U.S. to mobilize faster and get to the fight sooner. We would also be welcome in Romania and Bulgaria. There is some question whether we are still welcome in Western Europe.

There are those who say NATO is dead or has no modern mission. That is simply not the case. The Soviet Union may no longer be a threat, but threats still exist. The end of the cold war may have erased the notion of warfighting where million-man armies face million-man armies on the European Continent. But, the end of the cold war unleashed despots willing to use the asymmetrical means of terrorism and WMD proliferation as methods of aggression and diplomatic blackmail.

NATO must adopt a new mission—combating terrorism and WMD proliferation both in Europe and globally. The threats that emerged from September 11 do not only affect the United States, these threats should be a concern to the entire NATO community. As we have seen, al-Qaeda cells were active in Germany, Spain, France, and Italy.

International terrorism on our shores was unknown to Americans prior to September 11. However, it was not uncommon in Europe. The other NATO members should unite behind America's interests to root out terrorism and stop WMD proliferation because the European members have been targets before and could be targets, again. This will require NATO to look not only within its borders, but NATO must also look beyond its borders. NATO members and Partnership for Peace participants stretch from the Pacific Ocean in the U.S. to bordering

on China in Kazakhstan. There are several countries just on the edges of NATO's borders who wish to terrorize those countries within NATO.

NATO has made a pledge to combat terrorism and WMD proliferation. The promise made by the NATO heads of state at the Prague summit to focus on terrorism and WMD proliferation is encouraging. Now, we need action. We should not let recent spats with France and Germany obstruct the implementation of this new mission. Moreover, France and Germany should not let their disagreements with the U.S. obstruct this new mission. Such actions benefit none.

For NATO to remain relevant, the European members must close the capabilities gap between U.S. and European forces. Many NATO members, including France and Germany, have reduced defense spending over the last decade. Such reductions leave the alliance vulnerable and make it difficult for NATO members to participate in operations with the U.S.

U.S. defense spending is dwarfing European defense spending. America's defense budget is greater than all other 18 NATO members combined. The \$48 billion dollar increase in U.S. defense spending from fiscal year 2002 to fiscal year 2003 is greater than what 12 of the other 18 members spend on defense.

Europe's leaders are world leaders. NATO members must make a greater investment in national security, NATO's longevity, and world security. We do not need them to spend as much as the U.S.; we need them to complement the U.S. and add value to NATO operations.

NATO should focus its spending on interoperability and communications improvements. The U.S. has committed billions to making it so all four branches of the military can be linked using the same communications devices. We are dedicated to interoperability within our own forces. It has not been easy and the job is not finished, but we have seen the fruits of this effort in Iraq and Afghanistan. Who would have imagined years ago that a B-52 pilot could talk with a Special Operations team on the ground to deliver close air support? This was possible because of interoperability.

NATO must focus on such interoperability. Not only must we ensure that a European tanker plane can refuel a U.S. fighter. We must ensure that 26 members, who speak many different languages, can share a common communications network and operate as one cohesive force, not 26 independent militaries. If this gap is not closed, no value will be added and we will have to question NATO's worth.

NATO must not be just an alliance based on military strength. NATO must be a diplomatic alliance. Military might alone is not the solution. First, we must use all diplomatic means to achieve peace. The united strength of NATO as a diplomatic force will also increase the security of NATO's members.

In the near future, NATO must make decisions to determine whether it will

be a vibrant alliance capable of protecting its members in the 21st century or whether it is a relic of the past. I know it can have a meaningful mission in the future—a mission focused on rooting out terrorism and stopping the spread of WMD. To do so, NATO members must increase defense spending and focus on modernization and interoperability. I am confident NATO's members want NATO to have a great role in shaping the 21st century. As a member of NATO, the U.S. should push for a strong alliance. By expanding NATO to include seven new members, we will take a key step in making NATO strong and viable for the 21st century. The Senate sent a strong message of support by approving the admission of Romania, Bulgaria, Latvia, Lithuania, Estonia, Slovenia, and Slovakia to NATO. The vote is good for the safety of the U.S., Europe, and the world.

#### ADDITIONAL STATEMENTS

##### LOCAL LAW ENFORCEMENT ACT OF 2001

• Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred September 12, 2001, in Bridgeport, CT. A Brazilian waiter was attacked on the street by eight men who verbally accosted him because they believed him to be of Arab descent. The man was also physically attacked by the group and suffered a broken arm and several facial bruises.

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 is 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. •

##### ROSALIE ASLESEN RETIRES FROM SPEARFISH HIGH SCHOOL

• Mr. JOHNSON. Mr. President, I rise today to recognize and honor Rosalie Aslesen on the occasion of her retirement as school librarian for Spearfish High School in Spearfish, SD.

A native of Spearfish, Rosalie graduated from Spearfish High School and received her bachelor of arts degree in theatre arts from Black Hills State University in Spearfish. After graduation, she served as a Red Cross volunteer, assisting troops in Korea in the 1960s, spending time living in Hawaii, Virginia, and Maryland before returning for a brief time to Spearfish. She

returned to Hawaii and obtained a master's degree in library science, before moving back to Spearfish with her husband Herb to take a job at Spearfish High School, where she has served as librarian since 1979.

Rosalie has earned the respect and admiration of all those who had the opportunity to work with her. Her friendly demeanor and wealth of knowledge helped her develop close friendships with various colleagues and students. In Rosalie's honor, her brother, William Vance, has donated an extensive collection of Library of America books to Spearfish High School. As a symbol of Rosalie's dedication to young people, these books will help educate future generations of young Americans.

Over the years, Rosalie has committed herself to helping Spearfish students learn more about their heritage and culture, about themselves and the world around them. She has worked hard to help students find the best in themselves. Thousands of students over the years have benefited from Rosalie's commitment to education and to the library sciences. From assisting students with research options for papers, to finding intricate details about the history of our world, Rosalie has served as a "human bookmark" in the book of life for countless young adults.

On the occasion of her retirement, I want to congratulate Rosalie Aslesen for her tireless dedication to Spearfish High School and her commitment to quality education. I also want to commend her for her valuable service to the community over the years. She has been very active in the United Church of Christ, has served on the board of the South Dakota Education Association, and has spent many years in the Spearfish Education Association, including the past 2 years as president. The lives of countless people have been enormously enhanced by Rosalie's service to South Dakota and her profession. Her achievements will serve as a model for other talented librarians throughout our State to emulate.

Mr. President, I wish Rosalie Aslesen the best on her retirement. ●

#### TRIBUTE TO REAR ADMIRAL WILLIAM W. COBB, JR., U.S. NAVY

● Mr. LOTT. Mr. President, I would like to recognize one of the finest officers in the United States Navy, RADM William "Bill" Cobb, on the occasion of his retirement on May 15, 2003. Admiral Cobb will leave his current job as Program Executive Officers Ships after over 37 years of faithful and dedicated service to the Navy and our great Nation. During his time in Washington, he engaged the Congress on numerous issues vital to our national security. Today, it is my pleasure to recognize some of Bill's many accomplishments and commend him and his family for their service to the Navy and our Nation.

Admiral Cobb entered military service in 1968 after receiving a Bachelor of

Science degree in Engineering from the United States Naval Academy. He continued his education at the Naval Post Graduate School where he earned a Master's Degree in Operations Research in 1975. Admiral Cobb also attended the National Defense University's Industrial College of the Armed Forces, ICAF, in 1990; the Defense Systems Management College in 1992; the Executive Program, University of Michigan, Graduate Business School in 1994; and the Senior Executive Program in National and International Security at Harvard University in 2001.

As Executive Officer aboard USS *Jouett*, CG 29, Admiral Cobb shined as a leader. Even though *Jouett* started out last in every competitive category, Admiral Cobb's ability to motivate all levels of the chain-of-command catapulted the ship to the fleet's number one combatant in battle readiness. He later assumed duties as Commanding Office of USS *Coontz*, DDG 37, where his ship provided the initial response to a distress call after USS *Stark* was struck by an errant Iraqi cruise missile. During his tour as Commander of Naval Surface Warfare Center, Indian Head, Naval Ordnance Command, and Commander Naval Surface Warfare Center, NSWC, he was responsible for all of the Navy's In-Service Engineering Agents, ISEA.

Admiral Cobb also excelled in a variety of key staff assignments including Chief of Staff and Head, Fleet Introduction and Lifetime Support Division, AEGIS Program Office; a tour in the Office of the Chief of Naval Operations as Head Readiness Sustainability Team, OP 090; and Chief, Cruise Missile Division, Plans and Policy Directorate, Commander Atlantic Fleet, where he planned all of the Tomahawk strikes for Desert Storm. As Program Executive Officer for Theater Surface Combatants, PEO TSC, he was responsible for the AEGIS shipbuilding program, the Navy's Theater Ballistic Missile Defense, TBMD, program, and introduction of the Cooperative Engagement Capability, CEC. On the international front, he headed shipbuilding programs with Spain and Japan, and worked with thirteen of our closest allies on the Standard Missile program. His tremendous effort significantly enhanced our allied forces' defenses against the growing tactical ballistic missile threat. Admiral Cobb was also responsible for the life-cycle support of several ship classes including Ticonderoga Cruisers, Arleigh Burke Guided Missile Destroyers, Spruance Destroyers and Oliver Hazard Perry Frigates.

In conjunction with the Secretary of the Navy's reorganization efforts, Admiral Cobb took on the significant task of reorganizing three major Program Offices into one. Program Executive Officer, PEO, Ships now has sole responsibility for life-cycle support for all 13 surface ship classes, the heart of our entire Navy. This new Program Office is responsible for the execution of

current and future shipbuilding programs that will carry the Navy well into the 21st century including the DDG 51 Arleigh Burke Class Destroyers, the LPD 17 San Antonio Class Amphibious Ships, the Navy's future destroyer DD(X), X, and the Littoral Combat Ship, LCS. The DD(X), and LCS programs, due in large part to Admiral Cobb's leadership, will revolutionize our Navy with the availability of more lethal and agile firepower than ever before seen in history.

Always an inspiration to those who served him, Admiral Cobb made it a point to recognize those Officers and Sailors who transformed his vision of the Navy into reality. His contribution to the success of our Navy goes well beyond the material changes he made in the programmatic world. Admiral Cobb made each sailor keenly aware of their importance to the Navy and the true appreciation that he held for their efforts. His unique ability to recognize talent and to foster camaraderie among those who served him had an enormous influence on countless junior sailors, and will continue to steer the course of our Navy well into the future.

On behalf of my esteemed colleagues, I offer the sincere congratulations of the United States Senate to Admiral Cobb, his wife Karen, son Bill II, Buddy, daughter Jeanne, and granddaughter Isabelle on a truly magnificent career. Admiral Cobb will be missed by our Navy and has the heartfelt appreciation of our entire Nation. We wish our friend the best of luck in his undoubtedly successful future and bid him "Fair Winds and Following Seas." ●

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

#### RETIREMENT OF CAPTAIN NICHOLAS PERUGINI

● Mr. KERRY. Mr. President, I would like to express my appreciation and congratulations to Captain Nicholas Perugini of the National Oceanic and Atmospheric Administration, NOAA, Commissioned Corps on the occasion of his retirement. For more than 26 years, Captain Perugini has dedicated himself to the protection of our Nation's oceans and maritime commerce through his exemplary work in NOAA's charting program. He has served aboard three hydrographic survey vessels and a shore-based field party. As commanding officer of the NOAA ship *Rude*, Nick was in charge of the survey investigation into the grounding of the Queen Elizabeth 2. He was also a member of NOAA teams that assisted in the recovery of the TWA flight 800 and John F. Kennedy Jr. crash sites which occurred off the East Coast of the United States. Captain Perugini's commitment and leadership during these sensitive projects are an example of public service at its best. Nick consistently put aside ego and personal glory to do what is best for the Nation.

Captain Perugini now concludes his career as chief of NOAA's Marine Chart Division. A direct result of his tenure as chief was a significant advancement in the longstanding partnership between NOAA and the Coast Guard concerning safety of navigation issues. His vision and leadership led to the advances of new technologies, moving paper charting to the electronic world. Today, mariners know their location, in real time, on an electronic navigation system. This advance was not possible in the paper chart world.

With his guidance, NOAA and the Coast Guard entered into a Memorandum of Agreement, which pooled agency resources and greatly accelerated the production of Electronic Navigational Charts, ENC. He made the ENC data available to the public free, via the internet. This relationship not only saved tax dollars, but the improved navigational tools have greatly increased the safety of navigation. Captain Perugini's work has resulted in a significant reduction in marine accidents, which has saved lives, property, and our environment from degradation.

From July 1998 to August 1999, I was pleased to have Nick as a member of my congressional staff as a legislative fellow. His amazing work ethic, interpersonal skills, commitment to the job, knowledge of maritime issues, and gracious humility made him an integral part of my office. I want to thank him for his work and commitment to our Nation.

I congratulate Captain Nicholas Perugini on his exemplary career and wish him, his wife Lisa, their daughter Katie, and their son Nicholas my best. Through his tireless efforts, he has made a difference and has helped to protect the marine environment and promote safe maritime commerce that is vital to our Nation's prosperity.●

#### TRIBUTE TO AMERICAN LEGION AUXILIARY UNIT NO. 70

● Mr. BURNS. Mr. President, I rise today in recognition of the dedication and service that the American Legion Auxiliary Unit No. 70 has provided to Montana's veterans and their communities. The American Legion Auxiliary was formally founded in 1919 by a group of concerned women who stepped in to fill the role of the men who left home for the battlefields of World War I. These women were driven to service by their compassion, by their sense of civic duty, but, most of all, they were driven by their love of country.

In the more than eight decades since its founding, the American Legion Auxiliary has expanded to include hundreds of chapters in every state and territory. Likewise, their original mission expanded as well to include helping many others in need.

The women of American Legion Auxiliary Unit No. 70 have been particularly active in their community. They have donated funds to veteran's facilities and programs in Fort Harrison,

Miles City, Glendive and Columbia Falls, MT. They are distributing more than 900 poppies in recognition of the service and sacrifice our veterans have given their country. During Operation Iraqi Freedom, they tied hundreds of yellow ribbons across Judith Gap to show their support for our troops and their family members.

Mr. President, I thank the women of American Legion Auxiliary Unit No. 70 and all the American Legion Auxiliaries for their service to our Nation's veterans and communities. These women have not only given their time and money in service to our Nation, they have given their hearts as well, and that is the best thing anyone can give.●

#### TRIBUTE TO GENERAL ELECTRIC'S APPLIANCE PARK

● Mr. BUNNING. Mr. President, I rise to honor the workers of General Electric's Appliance Park in Louisville, KY, for 50 years of hard work and quality manufacturing of appliances for the world. From producing the first box car in 1953 to the wide array of products GE manufactures today, generations of Kentucky workers have contributed to the success of the economy at GE's Appliance Park.

The original idea of merging nine plants into one major facility to mass produce GE's consumer products was initially scrutinized and met with skepticism by nay sayers. Doubters didn't think and agree that consumers demanded across America and the world such a vast array and selection of quality products. However, the ingenuity and vision of GE's leadership, behind its strong and committed workforce, considered America's growing population, rise of per capita income and social changes that occurred during the 1950s as evidence that such mass production was needed and wanted by the consumer. History shows they were right, and today General Electric is able to please consumers through offering an array of high quality products at an affordable price.

I am proud to have most of the workers at General Electric's Appliance Park living in the Commonwealth of Kentucky. They possess those core American values which have helped to made GE and this country a great success. I give great pride in calling attention to their excellence and work ethic. I know all will agree that for generations these GE Appliance Park workers "bring good things to life."●

#### MESSAGE FROM THE HOUSE

At 2:03 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2. An act to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004.

The message also announced that pursuant to section 5(a) of the Abraham Lincoln Bicentennial Commission Act (36 U.S.C. 101 note), the Minority Leader appoints the following Members of the House of Representatives to the Abraham Lincoln Bicentennial Commission for the 108th Congress: Ms. SLAUGHTER of New York; Mr. JACKSON of Illinois.

#### EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC-2285. A communication from the Architect of the Capitol, transmitting, pursuant to law, the report of all expenditures during the period April 1, 2002, through September 30, 2002, from monies appropriated to the Architect of the Capitol; to the Committee on Appropriations.

EC-2286. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.622(b), Table of Allotments, DTV Broadcast Stations, Odessa TX (MB Docket No. 02-95, RM-10421)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2287. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Genoa, Colorado) (MM Doc. No. 01-21)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2288. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations, (Bishopville and Lamar, South Carolina) (MB Doc. No. 02-197)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2289. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations, Traverse City, MI (MB Docket No. 02-20, RM-10368)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2290. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations, Miami, FL (MM Docket No. 00-125, RM-9908)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2291. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations, Stuart, Oklahoma (MB Doc. No. 02-287; RM-10569)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.



EC-2292. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations, Oak Grove, Louisiana (MB Doc. No. 02-321; RM-10583)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2293. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Sparkman, Arkansas; Moberly, Missouri; Kiowa, Oklahoma; Crowell, Menard and San Isidro, Texas) (MM Doc. 01-215, RM-10228; MM Doc. No. 01-252, RM-10275; MM Docket No. 01-212, RM 10222; MM Doc. No. 01-210; RM-10225; RM-10225; MM Doc. No. 01-214. RM-10227; MM Docket No. 01-304, RM-10309; and MM Doc. No. 01-305, RM-10310)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2294. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations Lebanon and Speedway, Indiana) (MB Doc. No. 02-143)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2295. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations, Harrisburg, PA (MM Doc. No. 01-208, RM-10205)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2296. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments; FM Broadcast Stations (Atoka, Haileyville and Clayton, Oklahoma) (MM Doc. No. 01-254; RM-10264; RM-10375; RM-10376)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2297. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.622(b), Table of Allotments, DTV Broadcast Stations, Christiansted, VI (MB Doc. No. 02-220, RM-10518)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2298. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments; FM Broadcast Stations (Jayton, Texas) (MM Doc. No. 01-295; RM-10305; 10381)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2299. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments FM Broadcast Stations (Goliad, Texas) (MM Doc. No. 01-155)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2300. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendments of Section 73.202(b), Table of Allotments, DTV Broadcast Stations, Cheboygan, MI (MB Doc. No. 02-91, RM-10411)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2301. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations, Macon, GA (MB Doc. No. 02-281, RM-10563)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2302. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations, Ozone and Iran Texas (MB Doc. No. 02-261; RM-10503, RM-10607)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2303. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of section 73.202(b), table of Allotments, DTV Broadcast Stations, Wilmington, NC. (MB Doc. No. 02-129, RM-10437)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2304. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations, Wailuku, HI (MB 02-221, RM-10519)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2305. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of section 73.622(b), Table of Allotments, DTV Broadcast Stations, Tuscaloosa, AL (MB Doc. No. 02-273; RM-10562)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2306. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations, Detroit Lakes and Barnesville, Minnesota, and Enderlin, North Dakota (MM Doc. No. 00-53)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2307. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202 (b), Table of Allotments, DTV Broadcast Stations, Presque, Isle, ME (MB Docket No. 02-348, RM-10455)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2308. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.622(b), Table of Allotments, DTV Broadcast Stations, Bethlehem, PA (MB

Doc. No. 02-81, RM-10422)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2309. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations, Avalon, California (MB Doc. No. 02-22, RM-10520)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2310. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations, Lawton, OK (MB 02-219, RM-10506)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2311. A communication from the Deputy Assistant Administrator, Operations, National Marine Fisheries Service, Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Northeastern United States; Spiny Dogfish Fishery; 2003 Specifications (0648-AQ34)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2312. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Closure of directed fishing for yellowfish sole by vessels using trawl gear in the Bering Sea and Aleutian Islands management area (BSAI)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2313. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Northern United States; Atlantic Mackerel, Squid, and Butterfish Fisheries; Closure of Fishery for Loligo Squid for Charter 1" received on May 7, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2314. A communication from the Program Analyst, National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Limitations on Construction or Alteration in the Vicinity of the Private Residence of the President of the United States Docket No. FAA 2003-14973 (Interim final rule; request for comments) (2120-AH83)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2315. A communication from the Attorney Advisor, National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Federal Motor Vehicle Safety Standards; Occupant Crash Protection (2127-A171)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2316. A communication from the Senior Attorney, Research and Special Program Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Hazardous Materials: Requirements for Maintenance, Recertification, Repair and Use of DOT Specification Cylinders; Response to Appeals and Extension of Compliance Data (2137-AD58)" received on May 6, 2003; to the Committee on Commerce, Science, and Transportation.

EC-2317. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report of the

General Accounting Office reports listed or released in the month of March 2003; to the Committee on Governmental Affairs.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GREGG, from the Committee on Health, Education, Labor, and Pensions, without amendment:

S. 314. A bill to make improvements in the Foundation for the National Institutes of Health (Rept. No. 108-45).

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. INHOFE (for himself and Mr. CRAPO):

S. 1039. A bill to amend the Federal Water Pollution Control Act to enhance the security of wastewater treatment works; to the Committee on Environment and Public Works.

By Mr. SHELBY (for himself, Mr. MILLER, and Mr. SMITH):

S. 1040. A bill to promote freedom, fairness, and economic opportunity for families by reducing the power and reach of the Federal establishment; to the Committee on Finance.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 1041. A bill to prohibit oil and gas drilling in Finger Lakes National Forest in the State of New York; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. COLEMAN:

S. 1042. A bill for the relief of Tchisou Tho; to the Committee on the Judiciary.

By Mr. INHOFE:

S. 1043. A bill to provide for the security of commercial nuclear power plants and facilities designated by the Nuclear Regulatory Commission; to the Committee on Environment and Public Works.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. VOINOVICH (for himself and Mr. DEWINE):

S. Res. 141. A resolution recognizing "Inventing Flight: The Centennial Celebration", a celebration in Dayton, Ohio of the centennial of Wilbur and Orville Wright's first flight; to the Committee on the Judiciary.

## ADDITIONAL COSPONSORS

S. 53

At the request of Mr. DURBIN, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 53, a bill to amend the Internal Revenue Code of 1986 to allow small business employers a credit against income tax for employee health insurance expenses paid or incurred by the employer.

S. 253

At the request of Mr. CAMPBELL, the name of the Senator from Missouri

(Mr. TALENT) was added as a cosponsor of S. 253, a bill to amend title 18, United States Code, to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns.

S. 470

At the request of Mr. SARBANES, the names of the Senator from Nevada (Mr. REID) and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of S. 470, a bill to extend the authority for the construction of a memorial to Martin Luther King, Jr.

S. 518

At the request of Ms. COLLINS, the names of the Senator from Mississippi (Mr. COCHRAN), the Senator from New Mexico (Mr. DOMENICI) and the Senator from Missouri (Mr. BOND) were added as cosponsors of S. 518, a bill to increase the supply of pancreatic islet cells for research, to provide better coordination of Federal efforts and information on islet cell transplantation, and to collect the data necessary to move islet cell transplantation from an experimental procedure to a standard therapy.

S. 569

At the request of Mr. ENSIGN, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 569, a bill to amend title XVIII of the Social Security Act to repeal the Medicare outpatient rehabilitation therapy caps.

S. 575

At the request of Mr. INOUE, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 575, a bill to amend the Native American Languages Act to provide for the support of Native American language survival schools, and for other purposes.

S. 596

At the request of Mr. ENSIGN, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 596, a bill to amend the Internal Revenue Code of 1986 to encourage the investment of foreign earnings within the United States for productive business investments and job creation.

S. 601

At the request of Mr. SMITH, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 601, a bill to authorize the Secretary of the Interior to acquire the McLoughlin House National Historic Site in Oregon City, Oregon, for inclusion in the Fort Vancouver National Historic Site, and for other purposes.

S. 623

At the request of Mr. WARNER, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 623, a bill to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums.

S. 632

At the request of Mr. CRAIG, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 632, a bill to amend title XVIII of the Social Security Act to expand coverage of medical nutrition therapy services under the Medicare program for beneficiaries with cardiovascular disease.

S. 664

At the request of Mr. HATCH, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 664, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit, to increase the rates of the alternative incremental credit, and to provide an alternative simplified credit for qualified research expenses.

S. 724

At the request of Mr. ENZI, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 724, a bill to amend title 18, United States Code, to exempt certain rocket propellants from prohibitions under that title on explosive materials.

S. 736

At the request of Mr. ENSIGN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 736, a bill to amend the Animal Welfare Act to strengthen enforcement of provisions relating to animal fighting, and for other purposes.

S. 752

At the request of Mr. BINGAMAN, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 752, a bill to amend the Internal Revenue Code of 1986 to treat distributions from publicly traded partnerships as qualifying income of regulated investment companies, and for other purposes.

S. 796

At the request of Ms. COLLINS, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 796, a bill to provide for the appointment of a Director of State and Local Government Coordination within the Department of Homeland Security and to transfer the Office for Domestic Preparedness to the Office of the Secretary of Homeland Security.

S. 818

At the request of Ms. SNOWE, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 818, a bill to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration.

S. 884

At the request of Ms. LANDRIEU, the name of the Senator from Missouri (Mr. TALENT) was added as a cosponsor of S. 884, a bill to amend the Consumer Credit Protection Act to assure meaningful disclosures of the terms of rental-purchase agreements, including disclosures of all costs to consumers under such agreements, to provide certain substantive rights to consumers

under such agreements, and for other purposes.

S. 893

At the request of Mr. SANTORUM, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 893, a bill to amend title VII of the Civil Rights Act of 1964 to establish provisions with respect to religious accommodation in employment, and for other purposes.

S. 895

At the request of Mr. NICKLES, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. 895, a bill to amend the Internal Revenue Code of 1986 to include wireless telecommunications equipment in the definition of qualified technological equipment for purposes of determining the depreciation treatment of such equipment.

S. 950

At the request of Mr. ENZI, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 950, a bill to allow travel between the United States and Cuba.

S. 979

At the request of Mr. ENSIGN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 979, a bill to direct the Securities and Exchange Commission to require enhanced disclosures of employee stock options, to require a study on the economic impact of broad-based employee stock option plans, and for other purposes.

S. 990

At the request of Ms. LANDRIEU, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 990, a bill to amend title 32, United States Code, to increase the maximum Federal share of the costs of State programs under the National Guard Challenge Program, and for other purposes.

S. CON. RES. 7

At the request of Mr. CAMPBELL, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. Con. Res. 7, a concurrent resolution expressing the sense of Congress that the sharp escalation of anti-Semitic violence within many participating States of the Organization for Security and Cooperation in Europe (OSCE) is of profound concern and efforts should be undertaken to prevent future occurrences.

S. RES. 136

At the request of Mr. KENNEDY, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. Res. 136, a resolution recognizing the 140th anniversary of the founding of the Brotherhood of Locomotive Engineers, and congratulating members and officers of the Brotherhood of Locomotive Engineers for the union's many achievements.

S. RES. 140

At the request of Mr. CAMPBELL, the name of the Senator from Iowa (Mr.

GRASSLEY) was added as a cosponsor of S. Res. 140, a resolution designating the week of August 10, 2003, as "National Health Center Week".

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SHELBY (for himself, Mr. MILLER, and Mr. SMITH):

S. 1040. A bill to promote freedom, fairness, and economic opportunity for families by reducing the power and reach of the Federal establishment; to the Committee on Finance.

Mr. SHELBY. Mr. President, I rise today to once again introduce my flat tax bill, S. 1040. Although I fully support the President's plan for economic growth, I believe that we can do even better. Like the President's plan, my bill eliminates the double taxation of dividends. However, instead of retaining the current progressive tax rates that impede economic growth, S. 1040 creates a single rate for all taxpayers—seventeen percent when the tax is fully implemented—and gives tax-free treatment to all savings and investment, not just dividends.

A major reason why I support the flat tax is because it will place more money into the hands of hardworking Americans and will allow individuals—not the government—to decide how to best spend their money. Lowering taxes gives Americans more money for a large number of things such as monthly bills, insurance coverage, educational costs, prescription drugs, and family getaways. Lowering taxes also makes it easier for Americans to plan for their future through private savings. Although I strongly believe in the importance of private savings, my bill leaves the Social Security system intact and, in fact, provides seniors with more money by repealing the current tax on Social Security benefits.

I have said many times before that our current progressive tax system is unfair in that it punishes success. The only way to ensure true fairness is to adopt a single tax rate for all taxpayers. Transitioning to such a tax will not only increase the fairness of the tax code, but it will also increase the incentives to work and thus boost economic growth.

The flat tax is not only fairer than the current income tax, but it's also undeniably less complex. Under a flat tax, taxpayers would be able to fit their return on a form the size of a post card. Rather than spending hours pouring over convoluted IRS forms, or resorting to professional tax assistance, the flat tax allows taxpayers to determine their taxes quickly and easily. Paying taxes may never be a pleasant experience, but at least under a flat tax it wouldn't be mind-boggling.

I fully realize that the bill I am introducing today is a monumental shift from the current tax code. However, we must not allow the enormity of the task to deter us from enacting better, more efficient tax laws. I therefore

urge my colleagues to join me in support of this legislation.

By Mr. COLEMAN:

S. 1042. A bill for the relief of Tchisou Tho; to the Committee on the Judiciary.

Mr. COLEMAN. Mr. President, I ask unanimous consent that the bill for the relief of Tchisou Tho be printed in the RECORD.

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

S. 1042

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

### SECTION 1. PERMANENT RESIDENT STATUS FOR TCHISOU THO.

(a) IN GENERAL.—Notwithstanding subsections (a) and (b) of section 201 of the Immigration and Nationality Act, Tchisou Tho shall be eligible for the issuance of an immigrant visa or for adjustment of status to that of an alien lawfully admitted for permanent residence upon filing an application for issuance of an immigrant visa under section 204 of that Act or for adjustment of status to lawful permanent resident.

(b) ADJUSTMENT OF STATUS.—If Tchisou Tho enters the United States before the filing deadline specified in subsection (c), Tchisou Tho shall be considered to have entered and remained lawfully and shall be eligible for adjustment of status under section 245 of the Immigration and Nationality Act as of the date of enactment of this Act.

(c) DEADLINE FOR APPLICATION AND PAYMENT OF FEES.—Subsections (a) and (b) shall apply only if the application for issuance of an immigrant visa or the application for adjustment of status are filed with appropriate fees within 2 years after the date of enactment of this Act.

(d) REDUCTION OF IMMIGRANT VISA NUMBERS.—Upon the granting of an immigrant visa or permanent residence to Tchisou Tho, the Secretary of State shall instruct the proper officer to reduce by 1, during the current or next following fiscal year, the total number of immigrant visas that are made available to natives of the country of the aliens' birth under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas that are made available to natives of the country of the aliens' birth under section 202(e) of that Act.

## SUBMITTED RESOLUTIONS

SENATE RESOLUTION 141—RECOGNIZING "INVENTING FLIGHT: THE CENTENNIAL CELEBRATION", A CELEBRATION IN DAYTON, OHIO OF THE CENTENNIAL OF WILBUR AND ORVILLE WRIGHT'S FIRST FLIGHT

Mr. VOINOVICH (for himself and Mr. DEWINE) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 141

Whereas 2003 marks the centennial of Wilbur and Orville Wright's achievement of the first controlled, powered flight in history;

Whereas Wilbur and Orville Wright grew up and worked at a bicycle shop in Dayton, Ohio, where they developed, built, and refined the first successful, heavier-than-air, manned, powered aircraft;

Whereas the Wright brothers developed the world's first flying field, the world's first flying school, and the world's first airplane manufacturing company in the Dayton area;

Whereas many legacies of the Wrights' inventiveness and creativity still exists in the region, including Wright-Patterson Air Force Base, the Dayton Aviation Heritage National Historical Park, the United States Air Force Museum, the National Aviation Hall of Fame, the Wright "B" Flyers, and the Engineers Club of Dayton;

Whereas the city of Dayton, area communities, a number of civic groups, private businesses, government agencies, and military partners, are joining together to honor the Nation's aerospace achievements;

Whereas Dayton is considered the "Birthplace of Aviation" and from July 3 through July 20, 2003, the Dayton region will host "Inventing Flight: The Centennial Celebration", the largest public centennial event in Ohio celebrating the first flight and one of only 4 events nationwide endorsed as a full partner by the United States Centennial of Flight Commission; and

Whereas the celebration will feature pavilions with aviation displays, blimp and hot-air balloon races, dance and cultural performances, river shows, historical reenactments, an international air and space symposium, National Aviation Hall of Fame ceremonies, and a military and general aviation show at the Dayton International Airport: Now, therefore, be it

Resolved, That the Senate recognizes "Inventing Flight: The Centennial Celebration", a celebration in Dayton, Ohio of the centennial of Wilbur and Orville Wright's first flight.

#### AMENDMENTS SUBMITTED & PROPOSED

SA 540. Mr. BURNS submitted an amendment intended to be proposed by him to the bill S. 2, to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth; which was ordered to lie on the table.

SA 541. Mr. ENSIGN (for himself and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 925, to authorize appropriations for the Department of State and international broadcasting activities for fiscal year 2004 and for the Peace Corps for fiscal years 2004 through 2007, and for other purposes; which was ordered to lie on the table.

#### TEXT OF AMENDMENTS

**SA 540.** Mr. BURNS submitted an amendment intended to be proposed by him to the bill S. 2, to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth; which was ordered to lie on the table; as follows:

At the end of subtitle C of title V, add the following:

#### **SEC. \_\_\_\_.** EXPENSING OF BROADBAND INTERNET ACCESS EXPENDITURES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 190 the following new section:

#### **"SEC. 191. BROADBAND EXPENDITURES.**

**"(a) TREATMENT OF EXPENDITURES.—**

**"(1) IN GENERAL.—**A taxpayer may elect to treat any qualified broadband expenditure which is paid or incurred by the taxpayer as an expense which is not chargeable to capital account. Any expenditure which is so treated shall be allowed as a deduction.

**"(2) ELECTION.—**An election under paragraph (1) shall be made at such time and in such manner as the Secretary may prescribe by regulation.

**"(b) QUALIFIED BROADBAND EXPENDITURES.—**For purposes of this section—

**"(1) IN GENERAL.—**The term 'qualified broadband expenditure' means, with respect to any taxable year, any direct or indirect costs incurred and properly taken into account with respect to the purchase or installation of qualified equipment (including any upgrades thereto), together with any direct or indirect costs incurred and properly taken into account with respect to the connection of such qualified equipment to any qualified subscriber, but only if such costs are incurred after December 31, 2003, and before January 1, 2005.

**"(2) CERTAIN SATELLITE EXPENDITURES EXCLUDED.—**Such term shall not include any costs incurred with respect to the launching of any satellite equipment.

**"(3) LEASED EQUIPMENT.—**Such term shall include so much of the purchase price paid by the lessor of equipment subject to a lease described in subsection (c)(2)(B) as is attributable to expenditures incurred by the lessee which would otherwise be described in paragraph (1).

**"(4) LIMITATION WITH REGARD TO CURRENT GENERATION BROADBAND SERVICES.—**Only 50 percent of the amounts taken into account under paragraph (1) with respect to qualified equipment through which current generation broadband services are provided shall be treated as qualified broadband expenditures.

**"(c) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—**For purposes of this section—

**"(1) IN GENERAL.—**Qualified broadband expenditures with respect to qualified equipment shall be taken into account with respect to the first taxable year in which—

**"(A)** current generation broadband services are provided through such equipment to qualified subscribers, or

**"(B)** next generation broadband services are provided through such equipment to qualified subscribers.

**"(2) LIMITATION.—**

**"(A) IN GENERAL.—**Qualified expenditures shall be taken into account under paragraph (1) only with respect to qualified equipment—

**"(i)** the original use of which commences with the taxpayer, and

**"(ii)** which is placed in service, after December 31, 2003.

**"(B) SALE-LEASEBACKS.—**For purposes of subparagraph (A), if property—

**"(i)** is originally placed in service after December 31, 2003, by any person, and

**"(ii)** sold and leased back by such person within 3 months after the date such property was originally placed in service, such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback referred to in clause (ii).

**"(d) SPECIAL ALLOCATION RULES.—**

**"(1) CURRENT GENERATION BROADBAND SERVICES.—**For purposes of determining the amount of qualified broadband expenditures under subsection (a)(1) with respect to qualified equipment through which current generation broadband services are provided, if the qualified equipment is capable of serving both qualified subscribers and other subscribers, the qualified broadband expenditures shall be multiplied by a fraction—

**"(A)** the numerator of which is the sum of the number of potential qualified subscribers within the rural areas and the underserved areas which the equipment is capable of serving with current generation broadband services, and

**"(B)** the denominator of which is the total potential subscriber population of the area

which the equipment is capable of serving with current generation broadband services.

**"(2) NEXT GENERATION BROADBAND SERVICES.—**For purposes of determining the amount of qualified broadband expenditures under subsection (a)(1) with respect to qualified equipment through which next generation broadband services are provided, if the qualified equipment is capable of serving both qualified subscribers and other subscribers, the qualified expenditures shall be multiplied by a fraction—

**"(A)** the numerator of which is the sum of—

**"(i)** the number of potential qualified subscribers within the rural areas and underserved areas, plus

**"(ii)** the number of potential qualified subscribers within the area consisting only of residential subscribers not described in clause (i),

which the equipment is capable of serving with next generation broadband services, and

**"(B)** the denominator of which is the total potential subscriber population of the area which the equipment is capable of serving with next generation broadband services.

**"(e) DEFINITIONS.—**For purposes of this section—

**"(1) ANTENNA.—**The term 'antenna' means any device used to transmit or receive signals through the electromagnetic spectrum, including satellite equipment.

**"(2) CABLE OPERATOR.—**The term 'cable operator' has the meaning given such term by section 602(5) of the Communications Act of 1934 (47 U.S.C. 522(5)).

**"(3) COMMERCIAL MOBILE SERVICE CARRIER.—**The term 'commercial mobile service carrier' means any person authorized to provide commercial mobile radio service as defined in section 20.3 of title 47, Code of Federal Regulations.

**"(4) CURRENT GENERATION BROADBAND SERVICE.—**The term 'current generation broadband service' means the transmission of signals at a rate of at least 1,000,000 bits per second to the subscriber and at least 128,000 bits per second from the subscriber.

**"(5) MULTIPLEXING OR DEMULTIPLEXING.—**The term 'multiplexing' means the transmission of 2 or more signals over a single channel, and the term 'demultiplexing' means the separation of 2 or more signals previously combined by compatible multiplexing equipment.

**"(6) NEXT GENERATION BROADBAND SERVICE.—**The term 'next generation broadband service' means the transmission of signals at a rate of at least 22,000,000 bits per second to the subscriber and at least 5,000,000 bits per second from the subscriber.

**"(7) NONRESIDENTIAL SUBSCRIBER.—**The term 'nonresidential subscriber' means any person who purchases broadband services which are delivered to the permanent place of business of such person.

**"(8) OPEN VIDEO SYSTEM OPERATOR.—**The term 'open video system operator' means any person authorized to provide service under section 653 of the Communications Act of 1934 (47 U.S.C. 573).

**"(9) OTHER WIRELESS CARRIER.—**The term 'other wireless carrier' means any person (other than a telecommunications carrier, commercial mobile service carrier, cable operator, open video system operator, or satellite carrier) providing current generation broadband services or next generation broadband service to subscribers through the radio transmission of energy.

**"(10) PACKET SWITCHING.—**The term 'packet switching' means controlling or routing the path of any digitized transmission signal which is assembled into packets or cells.

**"(11) PROVIDER.—**The term 'provider' means, with respect to any qualified equipment—

- “(A) a cable operator,
- “(B) a commercial mobile service carrier,
- “(C) an open video system operator,
- “(D) a satellite carrier,
- “(E) a telecommunications carrier, or
- “(F) any other wireless carrier,

providing current generation broadband services or next generation broadband services to subscribers through such qualified equipment.

“(12) PROVISION OF SERVICES.—A provider shall be treated as providing services to 1 or more subscribers if—

“(A) such a subscriber has been passed by the provider's equipment and can be connected to such equipment for a standard connection fee,

“(B) the provider is physically able to deliver current generation broadband services or next generation broadband services, as applicable, to such a subscriber without making more than an insignificant investment with respect to such subscriber,

“(C) the provider has made reasonable efforts to make such subscribers aware of the availability of such services,

“(D) such services have been purchased by 1 or more such subscribers, and

“(E) such services are made available to such subscribers at average prices comparable to those at which the provider makes available similar services in any areas in which the provider makes available such services.

“(13) QUALIFIED EQUIPMENT.—

“(A) IN GENERAL.—The term ‘qualified equipment’ means equipment which provides current generation broadband services or next generation broadband services—

“(i) at least a majority of the time during periods of maximum demand to each subscriber who is utilizing such services, and

“(ii) in a manner substantially the same as such services are provided by the provider to subscribers through equipment with respect to which no deduction is allowed under subsection (a)(1).

“(B) ONLY CERTAIN INVESTMENT TAKEN INTO ACCOUNT.—Except as provided in subparagraph (C) or (D), equipment shall be taken into account under subparagraph (A) only to the extent it—

“(i) extends from the last point of switching to the outside of the unit, building, dwelling, or office owned or leased by a subscriber in the case of a telecommunications carrier,

“(ii) extends from the customer side of the mobile telephone switching office to a transmission/receive antenna (including such antenna) owned or leased by a subscriber in the case of a commercial mobile service carrier,

“(iii) extends from the customer side of the headend to the outside of the unit, building, dwelling, or office owned or leased by a subscriber in the case of a cable operator or open video system operator, or

“(iv) extends from a transmission/receive antenna (including such antenna) which transmits and receives signals to or from multiple subscribers, to a transmission/receive antenna (including such antenna) on the outside of the unit, building, dwelling, or office owned or leased by a subscriber in the case of a satellite carrier or other wireless carrier, unless such other wireless carrier is also a telecommunications carrier.

“(C) PACKET SWITCHING EQUIPMENT.—Packet switching equipment, regardless of location, shall be taken into account under subparagraph (A) only if it is deployed in connection with equipment described in subparagraph (B) and is uniquely designed to perform the function of packet switching for current generation broadband services or next generation broadband services, but only if such packet switching is the last in a series of such functions performed in the trans-

mission of a signal to a subscriber or the first in a series of such functions performed in the transmission of a signal from a subscriber.

“(D) MULTIPLEXING AND DEMULTIPLEXING EQUIPMENT.—Multiplexing and demultiplexing equipment shall be taken into account under subparagraph (A) only to the extent it is deployed in connection with equipment described in subparagraph (B) and is uniquely designed to perform the function of multiplexing and demultiplexing packets or cells of data and making associated application adaptations, but only if such multiplexing or demultiplexing equipment is located between packet switching equipment described in subparagraph (C) and the subscriber's premises.

“(14) QUALIFIED SUBSCRIBER.—The term ‘qualified subscriber’ means—

“(A) with respect to the provision of current generation broadband services—

“(i) any nonresidential subscriber maintaining a permanent place of business in a rural area or underserved area, or

“(ii) any residential subscriber residing in a dwelling located in a rural area or underserved area which is not a saturated market, and

“(B) with respect to the provision of next generation broadband services—

“(i) any nonresidential subscriber maintaining a permanent place of business in a rural area or underserved area, or

“(ii) any residential subscriber.

“(15) RESIDENTIAL SUBSCRIBER.—The term ‘residential subscriber’ means any individual who purchases broadband services which are delivered to such individual's dwelling.

“(16) RURAL AREA.—The term ‘rural area’ means any census tract which—

“(A) is not within 10 miles of any incorporated or census designated place containing more than 25,000 people, and

“(B) is not within a county or county equivalent which has an overall population density of more than 500 people per square mile of land.

“(17) RURAL SUBSCRIBER.—The term ‘rural subscriber’ means any residential subscriber residing in a dwelling located in a rural area or nonresidential subscriber maintaining a permanent place of business located in a rural area.

“(18) SATELLITE CARRIER.—The term ‘satellite carrier’ means any person using the facilities of a satellite or satellite service licensed by the Federal Communications Commission and operating in the Fixed-Satellite Service under part 25 of title 47 of the Code of Federal Regulations or the Direct Broadcast Satellite Service under part 100 of title 47 of such Code to establish and operate a channel of communications for distribution of signals, and owning or leasing a capacity or service on a satellite in order to provide such point-to-multipoint distribution.

“(19) SATURATED MARKET.—The term ‘saturated market’ means any census tract in which, as of the date of the enactment of this section—

“(A) current generation broadband services have been provided by a single provider to 85 percent or more of the total number of potential residential subscribers residing in dwellings located within such census tract, and

“(B) such services can be utilized—

“(i) at least a majority of the time during periods of maximum demand by each such subscriber who is utilizing such services, and

“(ii) in a manner substantially the same as such services are provided by the provider to subscribers through equipment with respect to which no deduction is allowed under subsection (a)(1).

“(20) SUBSCRIBER.—The term ‘subscriber’ means any person who purchases current

generation broadband services or next generation broadband services.

**SA 541.** Mr. ENSIGN (for himself and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 925, to authorize appropriations for the Department of State and international broadcasting activities for fiscal year 2004 and for the Peace Corps for fiscal years 2004 through 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

**SEC. 815. REAFFIRMATION OF SUPPORT FOR CONVENTION ON THE PREVENTION AND PUNISHMENT OF THE CRIME OF GENOCIDE; COMMEMORATION OF ANNIVERSARY OF ENACTMENT OF GENOCIDE CONVENTION IMPLEMENTATION ACT OF 1987.**

(a) FINDINGS.—Congress makes the following findings:

(1) In 1948, in the shadow of the Holocaust, the international community responded to Nazi Germany's methodically orchestrated acts of genocide by approving the Convention on the Prevention and Punishment of the Crime of Genocide, done at Paris on December 9, 1948.

(2) The Convention on the Prevention and Punishment of the Crime of Genocide confirms that genocide is a crime under international law, defines genocide as certain acts committed with intent to destroy a national, ethnical, racial, or religious group, and provides that parties to the Convention undertake to enact domestic legislation providing effective penalties for persons who are guilty of genocide.

(3) The United States, under President Harry Truman, was the first nation to sign the Convention on the Prevention and Punishment of the Crime of Genocide.

(4) The United States Senate ratified the Convention on the Prevention and Punishment of the Crime of Genocide on February 19, 1986.

(5) The Genocide Convention Implementation Act of 1987 (the Proxmire Act) (Public Law 100-606), signed into law by President Ronald Reagan on November 4, 1988, enacted chapter 50A of title 18, United States Code, to criminalize genocide.

(6) The enactment of the Genocide Convention Implementation Act marked a principled stand by the United States against the crime of genocide and an important step toward ensuring that the lessons of the Holocaust, the Armenian Genocide, and genocides in Cambodia, Rwanda and elsewhere will be used to help prevent future genocides.

(7) A clear consensus exists within the international community against genocide, as evidenced by the fact that 133 nations are party to the Convention on the Prevention and Punishment of the Crime of Genocide.

(8) Despite this consensus, many thousands of innocent people continue to fall victim to genocide, and the denials of past instances of genocide continue.

(9) November 4, 2003, is the 15th anniversary of the enactment of the Genocide Convention Implementation Act of 1987 (Proxmire Act).

(b) REAFFIRMATION OF SUPPORT FOR GENOCIDE CONVENTION.—Congress reaffirms its support for the Convention on the Prevention and Punishment of the Crime of Genocide.

(c) COMMEMORATION OF ANNIVERSARY OF ENACTMENT OF GENOCIDE CONVENTION IMPLEMENTATION ACT OF 1987.—Congress acknowledges and anticipates the commemoration of the 15th anniversary of the enactment of the Genocide Convention Implementation Act of 1987 (the Proxmire Act) on November 4, 2003.

(d) DEDICATION TO END GENOCIDE.—Congress encourages the people and the Government of the United States to rededicate themselves to the cause of ending the crime of genocide.

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#### NOTICE OF HEARINGS/MEETINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. COCHRAN. Mr. President, I announce that the Committee on Agriculture, Nutrition, and Forestry will conduct a hearing on May 15, 2003 in SR-328A at 11:30 a.m. The purpose of this hearing will be to review the nominations of Glenn Klippenstein, Julia Bartling, and Lowell Junkins to be a member of the Board of Directors of the Federal Agricultural Mortgage Corporation.

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#### PRIVILEGE OF THE FLOOR

Mr. BAUCUS. Mr. President, I ask unanimous consent that the following fellows and interns on the Finance Committee be granted the privilege of the floor for the remainder of the week: Alisa Blum, Tyler Garret, Renee Johnson, Mark Kirbabas, Rhonda Sinkfield, and Mike Wiedrick.

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

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#### APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to 22 U.S.C. 276c-276g, as amended, appoints the following Senator as a member of the Senate Delegation to the Canada-U.S. Interparliamentary Group during the First Session of the 108th Congress, to be held in Canada, May 15-19, 2003: Senator GEORGE V. VOINOVICH of Ohio.

#### ORDERS FOR TUESDAY, MAY 13, 2003

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. on Tuesday, May 13. I further ask unanimous consent that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business with Members permitted to speak for up to 10 minutes each. I further ask unanimous consent that the Senate recess from 12:30 until 2:15 for the weekly party lunches.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, reserving the right to object, I would like to propound a parliamentary inquiry to the Chair.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. MCCONNELL. Yes.

Mr. REID. Mr. President, is S. 2 as reported by the Finance Committee a reconciliation bill?

The PRESIDING OFFICER. The answer to the Senator's inquiry is no.

Mr. REID. If the Senate takes up S. 2, it then would be fully debatable and open to amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. REID. I have no objection to the request propounded by the distinguished Senator from Kentucky.

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

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#### PROGRAM

Mr. MCCONNELL. Mr. President, for the information of all Senators, tomorrow the Senate will be in a period of morning business, and when the rec-

onciliation bill is received from the Finance Committee, the Senate will proceed to its consideration. Amendments are expected to be offered to the bill, and a late night is expected. Senators who wish to engage in the debate or to offer an amendment to the bill are encouraged to work with the bill managers so we can move forward in an orderly and efficient manner.

For the remainder of the week, the Senate will complete action on the jobs/growth bill, and also consider both the bipartisan global HIV/AIDS bill and the debt limit legislation. In order for the Senate to complete action on these measures, late nights and rollcall votes should be expected throughout the entire week. I therefore advise my colleagues to make the necessary scheduling arrangements.

Mr. REID. Mr. President, if the distinguished Senator will yield, as I have spoken to the distinguished assistant majority leader, we have on our side eight Senators who are scheduled tomorrow to go to the funeral of the late Senator Long. This is just for the information of the majority leader. Their plane leaves at 8 or 8:30 in the morning and returns at 7 o'clock in the evening. I know the majority is aware of that.

Mr. MCCONNELL. Mr. President, let me say we are aware that there are a number of Senators going to Senator Long's funeral, and we have tried to craft this schedule in such a way as to accommodate those interests.

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#### ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MCCONNELL. 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 5:32 p.m., adjourned until Tuesday, May 13, 2003, at 10 a.m.