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## Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable WAYNE ALLARD, a Senator from the State of Colorado.

### PRAYER

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

Almighty God, nothing is impossible for You. You have all power. Nothing happens without Your knowledge and without Your permission. You will what is best for us as individuals and as a nation. You desire to bless us with the wisdom and discernment we need to solve problems. And yet we have learned that You wait for us to ask for Your help. By Your providence You have placed the Senators in positions of great authority, not just because of their human adequacy but because they are willing to be available to You, attentive to You, and accountable to You. They know that if they trust You, You will be on time and in time to help them in crucial discussions and decisions. Give them the courage to put the needs of the Nation first, above political advantage.

You have promised that those who pray with complete trust in You will receive the answers to their prayers.

In the name of Him who is the Way, Truth, and Life, Amen.

### PLEDGE OF ALLEGIANCE

The Honorable CONRAD BURNS, a Senator from the State of Montana, led the Pledge of Allegiance, as follows:

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

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, May 10, 2000.

### To The Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WAYNE ALLARD, a Senator from the State of Colorado, to perform the duties of the Chair.

STROM THURMOND,  
*President pro tempore.*

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

### RECOGNITION OF THE MAJORITY LEADER

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

### SCHEDULE

Mr. LOTT. Mr. President, this morning the Senate will immediately proceed to a vote on the motion to proceed to the African trade and CBI enhancement conference report. If the motion to proceed is adopted, cloture will be filed, and debate will begin on the conference report immediately. Many Senators have expressed interest in making statements on this important legislation, and therefore the debate is expected to consume most of today's session.

By previous consent, the vote on cloture on the conference report will occur at 10:30 a.m. on Thursday morning. Following disposition of the African-Caribbean Basin legislation, the Senate will begin consideration of appropriations bills as they become available for action.

I thank my colleagues for their attention.

### H.R. 434—CONFERENCE REPORT

I extend my congratulations to the Finance Committee for their efforts in the conference on this bill. Chairman ROTH was very much involved in the

development of a very good conference report. I recognize the Senator from New York and his very effective staff for their involvement.

We have not had a major piece of trade legislation pass the Congress in 5 years. I think this is a tremendous accomplishment. I think it is going to be good for the American people, for American jobs, for consumers, for sub-Saharan Africa, for the Caribbean and Central American countries, and good for the industries that are connected in this trade area.

So I congratulate all those who were involved in this conference. I am very pleased to see we will take it up and I certainly plan to vote for it.

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

Mr. MOYNIHAN. Mr. President, on behalf of Senator ROTH, who will be returning next week, I would like to express the gratitude of the Finance Committee and of our staff. We would not be here without you, who convened the meetings over 5 long months ago that brought us to this point. And with a measure of temerity, may I say this is the first trade measure on our floor in 6 years.

I thank you again.

### TRADE AND DEVELOPMENT ACT OF 2000—CONFERENCE REPORT

#### MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. The clerk will report the motion to proceed to the conference report to accompany H.R. 434.

The assistant legislative clerk read as follows:

A motion to proceed to the consideration of the conference report to accompany H.R. 434 to authorize a new trade and investment policy for sub-Saharan Africa.

The Senate proceeded to consider the motion.

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

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

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



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There is a sufficient second.

Under the previous order, the question is on agreeing to the motion to proceed to the conference report to accompany H.R. 434.

The clerk will call the roll.

Mr. NICKLES. I announce that the Senator from Delaware (Mr. ROTH), the Senator from Nebraska (Mr. HAGEL), the Senator from South Carolina (Mr. THURMOND), and the Senator from North Carolina (Mr. HELMS) are necessarily absent.

The PRESIDING OFFICER (Mr. L. CHAFEE). Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 90, nays 6, as follows:

[Rollcall Vote No. 96 Leg.]

YEAS—90

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

NAYS—6

Bunning	Dorgan	Reed
Byrd	Hollings	Smith (NH)

NOT VOTING—4

Hagel	Roth
Helms	Thurmond

The motion was agreed to.

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

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

The motion to lay on the table was agreed to.

CLOTURE MOTION

Mr. GRASSLEY. Mr. President, pursuant to the consent agreement, I now send a cloture motion to the desk.

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

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the Conference Report to accompany H.R. 434, The African Growth and Opportunity Act:

Trent Lott, Jon Kyl, Pat Roberts, Craig Thomas, Bill Frist, Paul Coverdell, James Inhofe, Orrin Hatch, Don Nickles, Larry Craig, Slade Gorton, Mitch McConnell, Peter Fitzgerald, Chuck

Grassley, Phil Gramm, and Mike Crapo.

Mr. GRASSLEY. Mr. President, for the information of all Senators, the cloture vote will occur on Thursday at 10:30 a.m. Debate on this important trade legislation is expected to consume the remainder of the day.

ORDER OF BUSINESS

Mr. MOYNIHAN. Mr. President, I believe there are several Members who wish to speak as in morning business, and Senator GRASSLEY and I will be more than happy to accommodate them at this point.

Mr. GRASSLEY. Mr. President, we have agreed to give Senator COLLINS 5 minutes and Senator FEINGOLD 5 minutes at this point. I ask unanimous consent that they be recognized.

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

Ms. COLLINS. Mr. President, I thank my colleague from Iowa and my colleague from New York for their graciousness.

I ask unanimous consent that we be permitted to proceed for not to exceed 15 minutes, and that would be divided such that I would have 7 minutes and the Senator from Wisconsin would be permitted to proceed for not to exceed 8 minutes.

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

The Senator from Maine is recognized.

(The remarks of Ms. COLLINS and Mr. FEINGOLD pertaining to the introduction of S. 2528 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. WELLSTONE. Mr. President, I was going to speak for about 15 minutes, but if my colleague had expected to speak as one of the managers, I don't want to precede him.

Mr. GRASSLEY. Mr. President, I want to speak for a few minutes opening up debate on the African trade bill. Senator MOYNIHAN will want to make opening comments. After we have completed our remarks, I will not object.

Mr. WELLSTONE. Mr. President, I ask unanimous consent I be allowed to follow Senator GRASSLEY and Senator MOYNIHAN for a period of up to 15 minutes on the bill.

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

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, as a person who supports the African trade bill, I rise in support of this conference committee report on the Trade and Development Act of 2000. This legislation contains the conference agreement on the African Growth and Opportunity Act, the Caribbean Basin Trade Partnership Act, and even some miscellaneous trade measures that were passed as part of the Senate's consideration of this legislation in November last year.

Passage of the African Growth and Opportunity Act conference agreement by the Senate will send to the President the first significant trade legislation to pass both Houses of Congress

since 1988, other than legislation implementing trade agreements under very special fast-track procedures.

If I could characterize this conference agreement with one word, it would be the word "opportunity." That word is in the title of the African portion of this bill.

First, this conference agreement provides people in sub-Saharan Africa with the opportunity and promise for a better life. In many cases, these countries are not able to sustain their own people. They lack even the simplest, most basic infrastructure. This prevents the people of Africa from meeting necessary agriculture, education, transportation, and health care needs.

By giving these countries new tools to develop a textile and apparel industry, they will have new opportunities to participate in the global trade flows and the increased prosperity that have largely bypassed the majority of Africa's people.

I stress this bill provides opportunity. Once again, this bill is about opportunity. It is not about a guarantee, and it is not about a panacea, but an opportunity that has, up until now, been missing for the people of sub-Saharan Africa.

This legislation will give these countries the opportunity to build the essential capital that struggling economies need to increase their investment in their own people to help themselves. What we will create with this bill is opportunity for these struggling economies, and do it in a way that will not in any way jeopardize U.S. employment.

Some 30 sub-Saharan countries of Africa have begun dynamic economic reform programs that help make it much easier to pass this bill because we know they are taking the first steps to help themselves. They are liberalizing exchange rates; they are privatizing state-owned enterprises; they are reducing harmful barriers to trade and investment; they are also ending costly trade-distorting subsidies.

All of these things, for those who believe enhanced freedom of international trade is the right direction in which to go, always need a little bit of help from the indigenous economies of the respective countries. We believe the 30 countries of sub-Saharan Africa are doing all the right things. This legislation will create greater opportunities for new partnerships with these African nations based on economic directions they have already begun to take.

The Africa Growth and Opportunity Act is designed to complement the economic reform policies that African nations have already decided to pursue by offering increased access to U.S. markets for non-import-sensitive goods and textiles while creating enhanced opportunities to deepen our bilateral trade relations.

Speaking of opportunity, we will open up for American goods and services a market for 700 million potential new consumers, more than in Japan

and all the ASEAN nations combined, if we approve this conference agreement.

Both the United States and African nations recognize this legislation for the win-win opportunity it is. The United States benefits and Africa benefits from this legislation. The African Growth and Opportunity Act has been endorsed by every African ambassador in Washington. We don't see unanimous agreement on many things in these cities these days. However, we do here. All of the 48 nations of sub-Saharan Africa are united in support of this legislation.

The conference agreement is also a win-win opportunity for the countries of the Caribbean Basin region and for the United States. This conference report grants duty-free, quota-free benefits to apparel made in the Caribbean Basin Initiative countries from U.S. yarn and U.S. fabric. The Caribbean Basin nations will now have an opportunity to compete with Mexico and other developing countries in Asia in a way that will permit them to more fully participate in the global economy.

Additionally, the conference report provides benefits for apparel made with regional fabric under clearly specified conditions to be fair to the United States. This will encourage additional U.S. export of cotton and yarn and U.S. investment in the region while also helping to create desperately needed jobs for the Caribbean workers. In fact, I cannot think of a time when this legislation was needed more. We have to act now to help rebuild the shattered Caribbean economies and the ruined lives of those whose nations were devastated by Hurricanes Georges and Mitch. This all happened in 1998, but the recovery is not what it should be.

It is hard for us to imagine the destruction these storms inflicted. We were not there. We saw them on television, but, as so many things seen on television, they soon get out of mind. The devastation is still there, although there has been some cleaning up, some enhancement of the economy. But this will help, not by giving them our money, as we have done under the humanitarian programs we have, but helping them to help themselves through enhanced trade opportunities.

In the worst-hit Caribbean countries, virtually all sectors of the economy were affected. Houses by the hundreds were washed away. Roads and bridges disappeared under tons of water. Hotels were wrecked. Beach erosion demolished tourism. Both the administration and the Congress deserve credit for joint efforts to enact an assistance package of close to \$1 billion to aid in the reconstruction of the most basic elements of infrastructure—roads, bridges, and sewer systems—for what they did 2 years ago. But even this investment falls far short of what is needed to rehabilitate the economies of these countries.

The Caribbean nations hit by these disasters have seen the basic pillars of

their economies—agriculture and tourism—almost completely ruined. I have spoken to many of the ambassadors from the Caribbean nations about this. I just had a meeting this morning with the President of Costa Rica, thanking us for our work on this particular bill, telling us about how their economies are starting to turn around. In my view, based on these discussions, comprehensive reconstruction will not be possible without an effective trade and investment component. The ambassadors tell me—and the regional leaders and the U.S. officials all agree—it will take years for the hardest hit countries to recover. These countries are more than just our friends; they are our neighbors. They are right there in our backyard. We must put in place a program to help them rebuild and to sustain growth during the long road back to economic prosperity. We can do this without threatening jobs in our own country.

The Caribbean Basin is one of the few regions of the world where the United States consistently—I want to emphasize consistently—maintains a trade surplus. In fact, close to 70 cents of every dollar spent in the region is returned in the form of increased exports from the United States. In 1999, the U.S. exports to Caribbean Basin countries exceeded \$19 billion, making this group the sixth largest export market of U.S. goods in that year, 1999.

We will see other long-term benefits to the United States if we approve this conference agreement and help our Caribbean neighbors to help themselves. We will contribute to the U.S. national security, in addition to our economy, by helping democratic countries in our own backyard maintain political and economic stability.

In closing, I want to say a word, then, in addition to all the big components of this bill, a word about the significance of our work. This is very general, but this work is an example of U.S. leadership in trade policy. But that U.S. leadership in trade policy has suffered serious setbacks in the last few years. One obvious setback has been the repeated failure of the Congress to renew the President's fast-track trade negotiating authority. Another setback has been the failure of the negotiations on the multilateral agreement on investment in the Organization for Economic Cooperation and Development. And the most serious blow to U.S. leadership in global trade policy was the failure last December of the Seattle ministerial conference meeting of the World Trade Organization.

The entire world is watching, wondering whether the lack of leadership on the part of the United States for the last 7 or 8 years, or maybe the last 5 or 6 years, is a pattern we are going to continue to follow because it is such a different pattern from what the United States has done as a world leader in breaking down barriers to international trade since 1947.

I suppose you could go back to the 1930s, when we learned the lesson of the Smoot-Hawley legislation that brought about the world depression, and the world depression brought about World War II. We very quickly learned that high tariffs are not good for the world economy. It was not good for the American economy because we suffered as much or more than they did elsewhere in the world in that Great Depression as a result of Smoot-Hawley. Under Cordell Hull's leadership as Secretary of State, working for President Franklin Delano Roosevelt, we started reciprocal trade agreements at that particular time. They were the forerunner of gradually reducing some of these very high barriers to trade we had at that time around the world, mostly high tariffs—bringing them down on a reciprocal basis. But all of that eventually resulted in the General Agreement on Tariffs and Trade process that we led the world in establishing in 1949.

There have been eight rounds of GATT. Those eight rounds have been very successful in breaking down barriers to trade, so successful that President Clinton can tell the American people with all honesty, on a factual basis, that one-third of the jobs created during his Presidency are a result of international trade.

So if anybody thinks we are here promoting an African trade bill and Caribbean Basin Initiative bill to somehow benefit the economies of Africa and the Caribbean nations without any concern about the workers of America, the working men and women of America, the taxpaying people of our country, and are they going to have enough jobs, we have history, since 1947, to demonstrate the value of international trade to the economy of the United States and the economic benefit of the United States.

Too often, in international trade, we look to the economic issues only. But I believe commerce does more to promote international peace and humanitarian progress than anything we as political leaders or diplomats can do—as important as political leadership is in the world, and as important as diplomats are. But there are just not enough political leaders or diplomats in the world—if you take all the countries combined—to guarantee any peace. But as you break down barriers among the diverse people of our world—that is, one on one, whether it is business or nonbusiness relationships—that has more to do with the promotion of international peace, prosperity, democratic principles, and free market principles than anything.

So I see this legislation as part of a small process of promoting those issues as well as our concern about Africa, among others.

So the entire world I think is watching what we do today because it is some show of America wanting to retain that leadership in the reduction of trade barriers and enhancing peace and

prosperity of which we have been a part since 1947.

It is vitally important to not only approve this conference agreement but to do it in a resounding way. If we do that, we can send a message to the rest of the world that American leadership in trade policy is alive and well. For many in the international community, that leadership, as I said before, is in serious doubt.

It is especially important to approve this conference agreement after the profoundly disappointing failure of the Seattle WTO negotiations. We are only now beginning to pick up the pieces with the start of new agriculture and service trade negotiations in Geneva.

I have been watching these negotiations very closely. They are both difficult and delicate. We are trying to rebuild confidence, both in the World Trade Organization and in U.S. leadership. After Seattle, this is necessary and vitally important. It is not an exaggeration to say that failure to approve this conference agreement, or even a tepid approval, would send a shockwave through these negotiations. It would undermine our negotiators, jeopardize any progress we might make in Geneva, and do great harm to our long-term international trade interests.

By the same token, a strong Senate endorsement of this conference report would say to the entire world that the Senate is engaged, committed, and we want to reestablish the historic leadership role that has characterized U.S. trade policy for the last 50 years.

Finally, I salute the hard work of the majority leader, Senator LOTT, as well as that of my distinguished colleagues, Senator ROTH and Senator MOYNIHAN. Without their vision, their efforts, and their perseverance, we would not be here today.

I urge my colleagues to join me in a resounding show of support for American leadership in world trade negotiations by supporting the Trade and Development Act of 2000.

I yield the floor.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in complete accord with the resounding statement of the Senator from Iowa. I know he would agree with me when I say we are both here speaking in the intellectual grasp of our chairman, Senator ROTH, who will return to the Senate next week after necessary surgery and who is so much responsible for our being here today.

The Senator from Iowa said the world is watching. The world is watching and has been watching with dismay for 6 years as we seem to have backed away from that tradition which Cordell Hull took up at the depths of the recession, which I will get to, and we have carried on, on a bipartisan basis, right into the nineties and then we seem to have stopped.

This is the first trade bill to come to the Senate floor in 6 years. More, we

have defeated measures. We have denied the President the trade negotiating authority for trade agreements. It took the administration too long to ask for it. It responded to the same domestic pressures we saw in Seattle and we saw in front of the World Bank, bafﬂing in some instances, but powerful.

Now we return to our tradition. The Senator from Iowa spoke of sending a resounding message. Can there be a more resounding message than our vote this morning of 90-6 to proceed to the consideration of this measure, following, perhaps, an equally, more astounding and equally resounding measure, a vote in the House of 309-110 to send us this conference report?

Senators will recall that the House had sent over to us the African Growth and Opportunity Act. This was a measure to give some measure of trade stimulation to sub-Saharan African countries in the area of apparel exports. The distinguished chairman, our revered Senator ROTH, saw to it, in a near to unanimous Finance Committee, that the Caribbean Basin Initiative, an initiative begun by President Reagan, that this, too, was included in the bill—it is a combined measure—with a number of other provisions of interest to the Senators.

The importance of the CBI, as we say for purposes of simplification, in this regard is very simple. Having created the North American free trade area, we created an incentive to develop trade ties with Mexico—in essence, Mexican production would enter the United States on a completely free basis, whereas its neighbors in Central America and nearby Caribbean islands were suddenly disadvantaged. We will call it an unanticipated consequence. It had to be dealt with. We do not completely deal with it here, but we acknowledge that it is an urgent matter, and we begin it.

Nearly all the Senate provisions—the bill passed the Senate 76-19—were retained, thanks to extraordinary exertions by our respective staffs who we will thank fulsomely in time.

We must particularly acknowledge that this 5 months of negotiation, and often going into 5 in the morning, would never have come to any conclusion absent the active participation of our majority leader who convened the meetings in his own office and listened to a lot of incomprehensible discord over tariffs.

I speak as a veteran, if I may, and ask the indulgence of the younger and more vital persons. I was one of the three persons who negotiated the Long-Term Cotton Textile Agreement of 1962 for President Kennedy, that having become a condition of passing the Trade Expansion Act of 1962 by the textile industry and the garment industry, which we successfully did, but it was not an easy effort with the French at the height of Gaullist recidivism. That 5-year Cotton Textile Agreement, which we negotiated nearly 40 years ago, is now in its eighth reincarnation

and will continue well into the now new century. Still, we got it. And we got as well the series of trade rounds in the GATT about which Senator GRASSLEY has spoken. Finally, the Uruguay Round Agreements Act, which authorized our participation in the World Trade Organization, was enacted in 1994.

I make the point that in establishing the WTO, we were only getting back to where we were in the immediate aftermath of World War II when, at Bretton Woods in New Hampshire, the British-American-Chinese-French negotiators thought of how to establish a world which would not have the profound instability of the 1930s, and they envisioned three institutions: One, the International Bank for Reconstruction and Development, which we call the World Bank, headquartered here; the International Monetary Fund, to deal with monetary fluctuations, which we established here; and an international trade organization, which was to be headquartered in Havana—I acknowledge that that died in the Senate Finance Committee.

So we established, on an ad hoc basis, the General Agreement on Tariffs and Trade. Eric Wyndham White, a British Treasury official, with three or four assistants, managed these negotiations in Geneva which would take place periodically. In time, we got back to the World Trade Organization.

This moved so well. But suddenly we find ourselves anxious about proceeding in a policy direction that has been so profoundly successful for two-thirds of a century—66 years, since Congress enacted the Reciprocal Trade Agreements program.

We recognize the extraordinary results of the Smoot-Hawley tariff. It is a point not often noted that there has not been a tariff bill on the Senate floor since 1930. We tried that and it did not work. I think it is fair to say that the dynamics of horse-trading—I will do this for your product; you do this for mine—are not suited to a world in which trade is so important today.

Indeed, also the 19th century tariff legislation was hugely acrimonious and at times divisive. I think the division between North and South had something to do with the tariffs imposed in the early part of the 19th century.

As the Senator from Iowa has said, if you would make a short list of five events that led to the Second World War, and the horror associated with that war, the Smoot-Hawley tariff of 1930 would be one of them.

Tariffs were increased to unprecedented levels in the United States—by 60 percent. Incidentally, they are still the legal, official tariffs. It is only through trade agreements that we have negotiated reciprocal reductions.

As predicted, imports dropped by two-thirds, in value terms. And all the simple-minded persons who said, if we do not let any foreign products come in, then our producers will prosper, what they did not know is that exports

would drop by two-thirds, and the depression settled in.

The stock market crash of 1929 would have worked itself out. It was a matter of a crisis on paper. Factories did not close. Factories began to close when there was no market for their products, much of which had been going overseas.

The result was ruinous overseas. The British abandoned free trade, which had made them the principal economic power of the 19th century. They had to fight it a very long time, and much later than we think, when they abolished the so-called corn laws, which kept the price of wheat high enough to maintain the economic viability of the large land area of the state and not let that Iowa wheat get into Liverpool. The minute they did, they became an industrial power, and their farms did not disappear either.

As a matter of fact, Britain is self-sufficient in agriculture today. But it was free trade that gave them the advantage in the world. And they kept it right up until the Smoot-Hawley tariff, after which they adopted commonwealth preferences.

The Japanese began the Greater East Asian Co-Prosperity Sphere. And, sir, in 1933, with unemployment at 33 percent, Adolph Hitler was elected Chancellor of Germany. That is what you get when you do things like this.

The Reciprocal Trade Agreements Act of 1934—Cordell Hull's innovation of President Roosevelt's initiative—got us back on track. For more than half a century, from one administration to another, without exception, there we have stayed. It had looked like we were going to stray. But here we are, moving again in the context—I daresay, the shadow—of the decision on China coming within the next 2 or 3 weeks.

With the African trade bill—the African Growth and Opportunity Act—for the first time, the United States is, with this legislation, putting in place a trade policy with respect to sub-Saharan Africa, a policy that is long overdue.

The economic challenges facing that region may be even greater than they were at the height of the cold war. There has been a decline of institutions on a massive scale.

Consider the differing paths of South Korea and Ghana. In 1958, the year after Ghana achieved independence, its per capita gross national product was \$203; South Korea's was lower. South Korean per capita GNP at that time was \$171.

Forty years later, in 1998, South Korea's per capita income has soared to \$10,550—even after the financial crisis of Asia a few years back—while Ghana's has stood at a modest, an impoverished, \$390.

According to the most recent World Bank data, the average per capita GNP for sub-Saharan Africa was \$513 in 1998, or \$316 if South Africa is excluded. These countries simply do not pose competitive threats to us. They are, if

anything, a source of concern for economic aid, peacekeeping forces, and the like.

The legislation we have before us, which we will pass overwhelmingly after we hear some arguments that are all too familiar, is intended to assist sub-Saharan Africa to develop one of the basic building block industries of economic development, which is textile and apparel production.

It offers duty-free, quota-free treatment to certain categories of apparel—principally those that are made with American fabric that is itself made, indeed, with American yarn.

There is some allowance for so-called regional fabric; that is, fabric made in sub-Saharan Africa. But the benefits are subject to a very tight cap, beginning at 1.5 percent of total U.S. imports and growing over the life of the bill to only 3.5 percent of total imports.

For a transition period of 4 years, the less developed of the sub-Saharan African countries may use third country fabric as they ramp up their own production capacity.

But we should put this in some perspective. In 1999, domestic production of apparel and certain fabricated textile products such as home furnishings—but not fabrics and yarns—in the United States topped \$81 billion.

That same year, U.S. imports of apparel from sub-Saharan Africa were valued at \$584 million—that is to say, 0.7 percent of domestic production and just 1.1 percent of total apparel imports.

Should imports from sub-Saharan Africa grow to 3.5 percent of the total U.S. imports—the maximum quantity allowed for regional fabric under the bill—they will barely register in a market this size.

The African trade legislation in this package will not reverse years of neglect and decline, but it may provide a decent start.

Just a final word on the enhanced Caribbean Basin Initiative, the Caribbean Basin Trade Partnership Act. As I mentioned, it was begun in 1983 under President Reagan, and which the Senate Finance Committee added to this bill, and the House accepted it. The House was very open in this matter. I remarked earlier how the North American free trade area has eroded the market positions of Central America and the Caribbean islands.

Senator ROTH and I met last fall, in September of 1999, with the Presidents and Vice Presidents and Foreign Ministers of a number of the Caribbean and Central American states—the Dominican Republic, Honduras, Trinidad and Tobago, and Costa Rica. They made a simple request. They said: Look, we are here before you as democratically elected or appointed members of stable democratic governments. We are not here asking for aid. But the unanticipated effects of NAFTA have put us at a great disadvantage. All we want to do is trade with you. And that is what our provisions would allow. This is trade

both ways, and again, in American textiles.

The provisions in the bill will help our producers structure their production in this hemisphere so that they will be in a position to compete with Asian producers when—as I mentioned earlier, after more than 40 years—textile and apparel quotas will be eliminated by January of 2005, as agreed in the Uruguay Round Agreement on Textiles and Clothing.

If we don't have a trade infrastructure going with Central America and the Caribbean, we will all be overwhelmed by Asian production; and we can do it simply by passing this legislation—or we think we can do it, and we have not been wrong in our understanding of these matters.

I have a brief note about the problem of fine wool fabrics. After months of negotiation, and with great good faith on the part of all interested Senators and industry representatives, we have finally reached agreement on a measure that will begin to address this problem—again, the unanticipated consequence of free trade with Canada and the fact that we have exorbitant tariffs still in place.

Senators DURBIN, SCHUMER, GRAMM, HAGEL, MIKULSKI, SPECTER, NICKLES, FITZGERALD, SANTORUM, and THOMPSON joined me in sponsoring a very modest measure, and we are very happy with the outcome of the effort to provide some relief for our suitmakers.

The conference agreement begins to address this problem. It will also begin a data collection process that will give us a better database on this industry in the near future. It is not a perfect solution, and it does not permanently fix the problem, but it is a start. So I strongly support the conference agreement. I signed the papers. We had a long 5-month negotiation. These are exhausting efforts. They tend to exhaust our staffs more than we because we go home at midnight and they stay until daybreak. But we have done it.

Just to repeat what my friend from Iowa has said, this is important—if modest—legislation. A good debate, a strong vote on this conference report will surely set a positive tone for permanent normal trade relations with China. That debate will engage us in the very near future. We have a wonderful beginning. This morning, we voted 90-6 to take up this conference agreement, and I hope that reverberates into the other Chamber. I can speak for the Finance Committee. The China permanent normal trade relations—just normal trade relations—will pass the Senate Finance Committee and will pass the Senate floor, but we need to send a signal to the other Chamber that we are ready. We hope they are willing. Sixty-six years of American trade policy is in the balance. So let's begin this debate and conclude it on the same resounding support that we commenced this morning.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Senator from California follow me. She has a very lengthy statement.

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

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I may take 5 minutes as in morning business.

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

#### CAPITOL HILL POLICE FACE A FORCE REDUCTION

Mr. WELLSTONE. Mr. President, the Hill just came out today, and the headline is "Capitol Police face loss of 400 in 2001 budget cut."

The U.S. Capitol Police force would be reduced by more than 400 officers under a bill approved Tuesday by the House Appropriations Committee.

And then later on there is a quote from John Lucas, chairman of the U.S. Capitol Police Labor Committee. He says:

This budget cut comes on the heels of promises to improve Capitol security for members, staff, visitors and the officers who protect this wonderful institution.

"Where is the passion of yesterday's promises? What happened to the commitments to the officers who protect you and to their survivors?" he continued, in an attempt to invoke the concern expressed by Congress shortly after the 1998 shootings.

That was, of course, Officer Chestnut and Agent Gibson. Today, at 3:30, there will be an appointment of a new police chief. What a way for the new police chief to be sworn in.

I spoke to our Sergeant at Arms, Mr. Ziglar, about this. Senator BENNETT, Senator FEINSTEIN, with key positions, care deeply about this issue. I find this to be, in the years I have been in the Senate, one of the most unconscionable decisions that has ever been made.

I just for the life of me don't get it, albeit I have my own emotion on this question, and I have spoken on the floor many times.

In July, almost 2 years ago, we lost two police officers. We said we were going to do everything we could to make sure it would never happen again, albeit it could never be 100-percent certain. One of the things we certainly were going to make sure of was that there were two officers at every one of these posts, because if one deranged person shows up—especially if 20 or 30 people are coming through the door. Senator GRASSLEY is my neighbor over at the Hart Building. This happens at the Hart Building sometimes in the middle of the day. This is just simply unacceptable.

I am telling you that there is an unbelievable amount of bitterness right now in the police force over what is happening with this vote. They have been making the requests. They have been begging. They have been pleading.

I think very soon we will start to at least get to the point where we have two police officers at these posts because people are coming in and then one deranged person might show up sometime. That is all you need. Then, God knows what will happen.

In order to get there, there are one or two things that have to happen: More money has to go into overtime; the slack could be taken up that way; or more officers have to be hired.

Now we have a headline that they are going to cut 400.

This could be one of these sorts of inside games where the House says to the Senate: Look, we need to do this to show—whatever. I don't know what they are trying to show, frankly. Then you will put it back in. You save us on the Senate side.

I will tell you something. Maybe it is my background in community organizing, but my hope is that they get to decide for themselves. This is a union. My hope is that the Capitol Hill Police Union will hold a press conference. I hope they are there in numbers. I hope they make it crystal clear to people who voted for these cuts that they are not going to let you play around with their lives: We are not going to let you profess such concern for us and our families and then put us in a position where we not only cannot protect the public but we cannot really protect ourselves, which is absolutely outrageous.

I do no damage to the truth when I say this on the floor of the Senate. As a matter of fact, I initially made the mistake, I say to the Senator from California, of listing some of the door posts. I was then told by the police to not do that because they worry that you then create a security risk. So I don't do that anymore. But I can tell you that I observe it all the time. This House vote is just so damaging to people's morale. It is not right. It is going to create a dangerous situation. It is already not a good situation. But we are going to see a lot of people leave this police force. We are. They are going to join D.C. police, or go wherever; they are going to leave.

Hopefully, in the Senate we can be there and inject some sanity into this appropriations process.

But I will tell you one thing. I think this union and these police officers should take on this vote. They have been patient. They have been patient.

I think this is just absolutely unconscionable.

Two years ago, we went through hell. There was such emotion. We made this commitment. What a short memory. What a short memory.

#### TRADE AND DEVELOPMENT ACT OF 2000—CONFERENCE REPORT—Resumed

Mr. WELLSTONE. Mr. President, I now turn my attention to this bill. I thank both the Senator from Iowa and the Senator from New York, two exceptional Senators.

I am going to divide my remarks into two parts. We have some other Senators, Senators FEINGOLD and FEINSTEIN, who are going to talk at great length about what happened in the conference committee. I am going to speak to that briefly. I shall not take a lot of time. But I say to both Senators that I will be pleased to come back later on this afternoon, if you need me, because I think we need to put a focus on what happened.

I am in some disagreement with both my colleagues for, I hope, substantive reasons, which I will go into in a moment on the overall bill. It is not because of either one of the Senators on the floor managing this bill. But we had an amendment—Feinstein-Feingold, Feingold-Feinstein; I don't know the order. It doesn't matter; they are together—regarding the HIV/AIDS drugs in Africa. We will go into the specifics of the purpose of this amendment in a moment. But the purpose was to figure out a way that these countries could afford the combination of drugs that could help treat this illness so people wouldn't die.

I strongly support the amendment my colleagues introduced. The amendment was accepted by the bill's managers, Senators ROTH and MOYNIHAN. It was simple. It basically prohibited the U.S. Government—history is not very inspiring, frankly—or any agent of the U.S. Government from pressuring African countries to revoke or change laws aimed at increasing access to HIV/AIDS drugs so long as the laws in question passed by these countries adhered to existing international law and international standards.

In other words, this amendment said to the executive branch—colleagues, I am being bipartisan in my condemnation, if you will—stop twisting arms, White House and others, of African countries that are basically using legal means to improve access of their citizens to HIV/AIDS pharmaceuticals. I thank Senator FEINSTEIN and Senator FEINGOLD for this amendment.

One would think this effort to make anti-AIDS drugs more cheaply available to citizens in African countries—so long as these countries didn't violate any WTO rules—would be acceptable to every Senator and every Representative and every human being.

I think for a while the administration and others leaned on some of these governments to not use "parallel" importing in addition to local manufacturers, which is sort of interesting because some have legislation dealing with this subject. In other words, they would basically go to other countries and try to import FDA-approved drugs back from other countries at much less cost.

The "why" of this is because 13 million African lives have been lost since the onset of this crisis. Today, there are some 23 million African people infected with the AIDS virus—men, women, and children.

This was a modest amendment. This was the right thing to do. I don't blame

my colleagues. It is their institutional position.

The Senator from Iowa and the Senator from New York speak with pride about this legislation. I am going to dissent from some of the legislation dealing with some other issues. But I don't think there is much to be proud of in terms of what happened in this conference. They fought. But let's look at the result after this amendment is taken out. Honest to goodness, I say to Senator FEINSTEIN and Senator FEINGOLD, I have absolutely no idea—well, I do actually have some ideas as to why there is opposition. But I want to speak for the people of Minnesota.

I guarantee both Senators FEINGOLD and FEINSTEIN that 99.99 percent of the people in my State of Minnesota are behind their amendment. I guarantee them that if anybody attempts to do this in the light of day, 99.99 percent of the people in this country support this amendment. It is the right thing to do. Our values tell us we should do this. If these governments aren't violating any trade policy and they can make these drugs more available to their populace—the people there don't have a lot of money; they can't afford this cocktail of drugs—then people can have some accessibility and we can save lives given the magnitude of this crisis. What is happening is devastating. People in Minnesota say: God bless you for doing this.

How do these conferees—whoever they are—justify pressuring these countries with, in some cases, a life expectancy that has dropped by 15 years? What arrogance to tell these governments they cannot use all the legal means at their disposal to make sure the people in their countries, men and women and children, have access to these drugs. Otherwise, more people suffer and more people die. This is another example of why people in this country become so furious about some of what happens here.

I love being a Senator. I love public service. But sometimes it is just too much. It really is. This amendment was accepted. If we had a vote on this amendment, I think it would be 100 to 0. However, it is taken out in conference. I guarantee people in the country are for this.

Why don't we turn our attention to the pharmaceutical industry, the pharmaceutical companies? I can guarantee they were not worried about losing customers in Africa because the people cannot afford their prices. They were worried about any kind of effort—regarding these drugs that could save people's lives—at making them more affordable might cut into their profits. That is what they are worried about.

This is a Fortune 500 report, of April 17, 2000. The annual Fortune 500 report on American business is out. Guess what. The pharmaceutical industry ranks first in profits. In the words of Fortune magazine—and I absolutely love this quote; I wish I made it up myself, but I can't plagiarize:

Whether you gauge profitability by median return or revenues, assets or equity, pharmaceuticals had a Viagra kind of year.

When the average Fortune 500 industry in the United States returned 5-percent profits as a percentage of revenue, the pharmaceutical industry returned 18.6 percent—the automobile industry, a pretty big industry, 3.5 percent; chemicals, 5.1 percent; airlines, 5.7 percent; telecommunications, 11.7 percent; pharmaceuticals, 18.6-percent profits.

I can anticipate the reaction of some: There goes that Senator from Minnesota, out there railing about profits.

The idea that this industry can make such excessive profit off the sickness, misery, illness, and, in the case of Africa with this amendment, death of people, is obscene. I say to this industry: You may have had Viagra profits, but you are making your profits off the sickness, misery, illness, and death of people. And it is obscene. You got your greedy paws into this conference committee. You were able to use all of the money you contribute to the Congress and all of the political power you have and you were able to get this amendment out, take it out. The result of that is many people—millions of people—will die.

For a while, the administration was involved in this. I am not proud of that. They were pushing hard, putting pressure on these governments. This amendment says you can't use any government money for any of this kind of lobbying, to try to prevent a government, which legally is trying to do what it can do to make sure these drugs are more affordable.

That is what this amendment said. It got taken out of conference committee. Can anyone imagine that happening? The Fortune 500 report stated: "Viagra kind of year."

I am honored to support my two colleagues. Statistics show 23 million people in Africa are infected with the AIDS virus. By the way, I do not believe that it is pandering or appealing to some special interest for me to be speaking about a disease that infects more than 15,000 young people every day. I am not appealing to any special interest. I am representing values of Minnesotans. I am representing the values of the American people—which, obviously, were not the values of some people in this conference committee which took this amendment out.

I oppose this bill for that reason alone. I have some other reasons for speaking in opposition to this bill. I think what has happened is absolutely egregious. I would like to say to the pharmaceutical companies: Your days of being able to do this are over. I am not sure that is the case, but people in the country are getting sick of you. They are really getting tired of these companies. They are similar to a cartel. They charge excessive prices, they gouge Americans, they do everything they can to make sure other countries with large numbers of poor people, that the governments cannot do what they

are legally entitled to do to get the drugs to people and to make them affordable. It is absolutely unbelievable.

The economic question and the political question is, Does this Congress belong to people in the country or does it belong to people in the pharmaceutical industry? The answer on the basis of what happened to this amendment is it belongs to the pharmaceutical industry. In other words, the pharmaceutical industry has great representation here in Washington. It is the rest of the people who do not. This is a real reform issue. This is about people who are dying in Africa. It is also, when we get into this debate about pharmaceutical coverage for people in our country, people who all too often in our country can die—not anywhere near the same magnitude. I think of senior citizens in my State who spend \$300, \$400, \$500, \$600 a month for drugs they cannot afford. And this industry makes not a profit—great, make profits, but do not make obscene profits off of the sickness, misery, and death of people.

We are going to be out here today speaking about this over and over and over again. I do not think the pharmaceutical companies will like it. I would not. I doubt whether any Senator is going to come out here to defend them. I do not even know whether anybody in the conference committee would speak out. Let's have dueling press conferences today. Let's have different press conferences. The people who took out this amendment ought to speak publicly about why they did it.

Part B: This legislation, I know, is called the African Growth and Opportunity Act—I heard both my colleagues speak—and enhanced Caribbean Basin Initiative. But I will say this one more time. Every attempt that we made with this legislation to make sure these benefits would trickle down to the people was defeated. I think the message of this trade bill to African and Caribbean countries is a double message. Here is what it boils down to. For people in the United States, this is the message: If you should dare to try to organize, join a union, and bargain collectively to get a better wage, to get more civilized working conditions, to try to get health care coverage for your children, we are gone. We are on our way to these other countries because we can pay, as Wal-Mart is paying, 14 cents an hour in China. We can pay 14 cents an hour; we are gone.

In this trade bill to African and Caribbean countries, the message is, if you should dare to have even child labor standards, much less basic human rights standards, much less the right of people to organize and join a union to fight for themselves, then you do not get our investment. That is what this trade bill says.

So this is not a question of the first trade bill since NAFTA or are we internationalists or are we not? We had a bill—Congressman JESSE JACKSON, JR. on the House side, Senator FEINGOLD



on the Senate side—that expanded Africa's access to U.S. markets, but it also included labor rights and genuine debt relief. That is really important. We had jubilee. We had people here in Washington. When you look at sub-Saharan Africa, about a quarter of its export earnings are lost to its never-ending foreign debt service. If you really want to talk about what we need to help these countries, there you have it.

We had an alternative bill. I do not think it was ever voted on in the House.

This is not about whether or not you are an internationalist or isolationist. My father was born in Ukraine. He lived in Russia. He fled persecution in 1914. He never was able to see his family again. His family was, in all likelihood, murdered by Stalin. I grew up as an internationalist. I have said on the floor of the Senate—I get to say it once; I will not go on and on about this—it is a story that means something to me. He was almost 50 when I was born, and he was old country and he was an embarrassment because he did not fit in with my friends' parents. He just wasn't cool. But when I got to be high school age, I realized what a treasure he was. He spoke ten languages fluently and I miss him dearly. He was a very wise person—profound.

So Sunday through Thursday night at 10 o'clock, we would meet in the kitchen and we would have hot tea and sponge cake and he would talk about the world. I am "not an internationalist." I am not going to let anybody put that label on me.

The question is what kind of trade, under what kind of terms? Who decides who benefits and who is asked to sacrifice? Those are the questions that are before us.

Every time I go to some of these trade meetings and I hear the ministers from some of the developing countries say: Those of you, Senator WELLSTONE, who are opposed to these trade bills, you are in opposition to the poor—I always look for the poor there. I never see the poor there. I see trade ministers; I see the elites; but I don't see the poor.

But then, luckily, since I get a chance to work with the human rights community, I get to either meet with or hear about the poor and the citizens in these countries, ordinary people who are trying to get better wages, who are trying not to work with chemicals that are going to kill them, who are trying to do something about child labor conditions, who are trying to do something about the poisoning of their environment, who want to have jobs with dignity and who get thrown in jail for trying to change their lives for the better. They tell me that all this discussion about the poor and how great this is for the poor in these countries is a bit disingenuous, as they see it.

My colleagues can have a different point of view, and do—many, most, the vast majority.

My last point is this: I don't think I am going to do justice to this. But I

saw an interesting piece in American Prospect that Bob Reich wrote, our former Secretary of Labor, that many of us might actually consider as a middle ground. Basically his argument went as such.

He said, assume for a moment, PAUL, even if you don't want to—he didn't use my name, but I felt like he was speaking to me—even if you don't want to agree, just assume for the moment the position of those who make the argument, "Like it or not, this really will lead to economic growth for these countries, and this is a better chance for people than they have right now." Then consider your own position, which I have tried to lay out today.

He was saying, why not have some kind of framework that says when you have such bills, they pass, and the proponents say they will lead to economic growth and more opportunities, then what you would do would be to have a commitment, a priori, beforehand, commensurate with that growth and more opportunities and the country is doing better, minimum wage is going up and labor standards then put into effect.

I think it is an interesting idea. Maybe that will be a middle ground eventually where some of us can come together. But right now there is no middle ground to this. I will say it one more time. I know this bill is called an opportunity act and all the rest, but I think that is the message to this legislation—not the bill that Representative JACKSON and Senator FEINGOLD introduced—to people in this country. You can't blame ordinary citizens. The polls show pretty conclusively that people with incomes under \$60,000 or thereabouts are more than a little bit suspicious of these agreements. They do not think they are going to be in their best interests. They think they are going to be great for the big multinational companies but not them. You cannot lay blame on them for thinking that way because the message of this bill is, again, if you try to organize, try to join a union, try to fight for higher wages, these countries will go to Africa, Mexico, wherever, where they do not have to go by any of this. Goodbye.

Then the message to the people in these countries in this legislation is: Governments, people in these countries, don't you dare join a union. Don't you dare fight for your family. Don't you dare try to get better wages. Don't you dare try to abolish these abominable, exploitative child-labor conditions. Don't you do any of that because if you do, you will not get our investment. That is the message of this legislation.

I have spoken about the amendment that was deleted. I believe what happened in the conference committee is atrocious, and I have laid out the basis of my opposition to this legislation. I yield the floor.

The PRESIDING OFFICER (Mr. BURNS). Under the previous order, the Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from Minnesota for his spirited comments and also for his support of having two Capitol Police officers at each entry. I want him to know, as the ranking member on the Legislative Branch Appropriations Subcommittee, I am fully supportive of that request. I believe the chairman, Senator BENNETT, is as well.

Because he approached me with a big smile and I very much like it when the Senator from Texas smiles rather than frowns, I ask unanimous consent to amend my unanimous consent agreement to permit him to speak for 4 minutes and that I retain my right to the floor.

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

Mr. GRAMM. Mr. President, first, I thank our wonderful colleague from California for doing such a sweet thing. She is going to speak for some time. I know it would help educate me to stay and hear it, but like so many other people, I am too busy and I want to say a few things.

First of all, I congratulate the President for proposing the Africa Growth and Opportunity Act. The President recognized wisely that even if we took all the aid provided by every country in the world and gave it to sub-Saharan Africa, obviously we could have a short-term impact on them, but the long-term impact would be small when compared to the impact we can have through trade.

This bill is an opportunity for us to open up our markets for goods from some of the poorest countries in the world. I know there are some who say that even though this will mean clothing will be cheaper for American consumers, for working and low-income Americans, somehow there is a sacrifice involved. I fail to see it. I see everybody benefiting from trade. Desperately poor people in Africa will have an opportunity to produce products that can be sold in America, and we can raise their living standards and our own through the miracle of world trade.

This is not a perfect bill. I wish it were less protectionist. One provision in the bill requires that in order for textiles from sub-Saharan Africa to come into the country, they have to be made out of American yarn and American thread. That provision is going to reduce their competitiveness, but I appreciate the fact that the conference put in an exception for the 41 countries that have per capita incomes of below \$1,500 a year.

So the bill is not perfect, but it is a movement in the right direction, and I strongly support it.

It is important for us to promote world trade. I know our colleague who spoke before me believes that trade only helps rich people and big companies, but I believe trade helps working people. It creates jobs. It creates opportunity. It expands freedom. That is



why I am so strongly in support of this bill.

I thank the Finance Committee for working out a compromise that will mean more trade, that will mean more products. I have to say I do not understand how, with a straight face, the textile industry was so adamantly opposed to this bill. If we unleashed all of the energies of sub-Saharan Africa and all of their productive capacity and had them produce textiles to sell in America, they would still have no substantial impact on our market.

I do not understand why we continue to let special interests in America direct our Government to limit our ability to buy goods that would raise the living standards of working Americans. It is outrageous and unfair, and it is important that we stand up against these protectionist forces. Who gives the American textile industry the right to say that, as a free person, I cannot buy a better shirt or a cheaper shirt produced somewhere else in the world? How is America diminished by it? I say it is not. My freedom is diminished by such forces.

We have a mixture of protectionism and trade in this bill. But, overall, it is a movement in the right direction, and I am in favor of it. When the Multifiber Agreement is implemented, we will open up trade in textiles. As late as 5 years ago, the average American family paid \$700 more a year for clothing because of textile protection in America than they would with free trade. This is a small step in the right direction. I rejoice in it, and I support it.

I thank the Senator from California for yielding.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I notice that the distinguished Senator from Alabama is on the floor. So I ask unanimous consent to yield to him, and then to have the floor returned to me when he concludes.

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

#### VISIT TO THE SENATE BY A MEMBER OF THE HOUSE OF DEPUTIES OF THE FEDERAL REPUBLIC OF MEXICO

Mr. SESSIONS. Mr. President, it is my pleasure to present to the Senate today Alfredo Phillips, who is a member of the Congress of the Nation of Mexico. I have gotten to know him in 3 years now at the interparliamentary conference between the United States and Mexico. We have had 39 years of interparliamentary conferences between our two nations. He has an extraordinary history in banking.

He was Director of the North American Development Bank, which is part of the NAFTA agreement. He has been Executive Director of the International Money Fund for 4 years. He is General Coordinator of International Affairs of the PRI. That is his title now. He was Mexico's Ambassador to Canada, Am-

bassador to Japan, and chairs the Foreign Relations Commission for the Congress of Mexico.

He got his degree in humanities from the University of Mexico and his degree in economics from the University of London. He studied at George Washington University. His wife Maureen is a wonderful lady who my wife Mary and I have had the pleasure to meet. His son Alfredo is in an economics section of the Mexican Embassy here in the United States.

Mr. President, it is my pleasure to introduce Mr. Alfredo Phillips to this body. He is known to many of our Senators and Congressmen.

#### RECESS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Senate stand in recess for 3 minutes, before Senator FEINSTEIN takes the floor again, in order for the Senate to greet our guest.

There being no objection, at 11:57 a.m., the Senate recessed until 12:03 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BURNS).

#### TRADE AND DEVELOPMENT ACT OF 2000—CONFERENCE REPORT—Continued

Mr. GRASSLEY. Mr. President, I ask unanimous consent that when Senator FEINSTEIN has finished speaking, Senator FEINGOLD be able to consume his time for debate on this bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from California.

Mrs. FEINSTEIN. Mr. President, I rise today to address the conference report on the African Growth and Opportunity Act and to express my deep disappointment that the conference decided to strip out of the report the amendment which has been spoken about on this floor which addresses HIV/AIDS in sub-Saharan Africa. This is an amendment I offered with the Senator from Wisconsin, Mr. FEINGOLD.

This amendment was accepted by the Senate, and it was intended to provide African countries experiencing an HIV/AIDS crisis with the ability to institute measures consistent with the World Trade Organization intellectual property rules that are designed to ensure the distribution of pharmaceuticals and medical technology to afflicted populations.

We offered this amendment because we believed the act inadvertently threatened to undermine the fight against HIV/AIDS in Africa. Our amendment was a simple, common-sense approach consistent with international law to fix this oversight. I believe the action of the conference in stripping this amendment was unconscionable. I found it especially disappointing because my office and staff had been working with the chairman of

the Finance Committee, Mr. ROTH, to develop compromise language that met our concerns and would be acceptable to the conference.

Chairman ROTH negotiated in good faith, and he and the other Senate conferees—Mr. MOYNIHAN, Mr. BIDEN, and Mr. BAUCUS—wanted to do the right thing. Unfortunately, as I understand it, because of the way in which the House and Senate Republican leadership dealt with this conference, the majority leader and the Speaker, as I have been told, decided my amendment was to be eliminated and presented a take-it-or-leave-it offer to the conferees. The conference was never really even given a chance to address this issue.

Perhaps they did not understand the full impact of what is happening in Africa, and in these remarks I hope to make both the extent and the nature of the AIDS crisis better known. I say this as someone who supports the legislation. I voted in favor of it. I believe the underlying principles of this legislation—opening up new possibilities for economic engagement and trade between the United States and the countries of sub-Saharan Africa—are good ones. I know the countries of this region want to receive the benefits of the bill which will assist their economic development and promote democracy in the region.

I said in earlier remarks the problem is that the way things are going, there will not be an Africa left for this bill to help. I think people underestimate the impact of that statement. What I hope to do in these remarks is talk about the scope of the problem, give specific country reports, talk about the economic, social, and political impact of HIV/AIDS in sub-Saharan Africa, the need for affordable access to pharmaceuticals, what compulsory licensing and parallel importing is, and why the Feinstein-Feingold amendment is necessary.

I want to talk about drug companies' revenues from these drugs and what else is to be done.

But before I do so, I acknowledge the fact that this morning the White House has signed an Executive order to carry out the provisions of the Feinstein-Feingold amendment.

At this point, I will read into the RECORD the following letter, dated May 10:

I am pleased to inform you that today I will sign an Executive Order that is intended to help make HIV/AIDS-related drugs and medical technologies more accessible and affordable in beneficiary sub-Saharan African countries. The Executive Order, which is based in large part on your work in connection with the proposed Trade and Development Act of 2000, formalizes U.S. government policy in this area. It also directs other steps to be taken to address the spread of HIV and AIDS in Africa, one of the worse health crises the world faces.

As you know, the worldwide HIV/AIDS epidemic has taken a terrible toll in terms of human suffering. Nowhere has the suffering been as great as in Africa, where over 5,500

people per day are dying from AIDS. Approximately 34 million people in sub-Saharan Africa have been infected, and, of those infected, approximately 11.5 million have died. These deaths represent more than 80 percent of the total HIV/AIDS-related deaths worldwide.

To help those countries most affected by HIV/AIDS fight this terrible disease, the Executive Order directs the U.S. Government to refrain from seeking, through negotiation or otherwise, the revocation or revision of any law or policy imposed by a beneficiary sub-Saharan government that promotes access to HIV/AIDS pharmaceuticals and medical technologies. This order will give sub-Saharan governments the flexibility to bring life saving drugs and medical technologies to affected populations. At the same time, the order ensures that fundamental intellectual property rights of U.S. businesses and inventors are protected by requiring sub-Saharan governments to provide adequate and effective intellectual property protection consistent with World Trade Organization rules. In this way, the order strikes a proper balance between the need to enable sub-Saharan governments to increase access to HIV/AIDS pharmaceuticals and medical technologies and the need to ensure that intellectual property is protected.

I know that you preferred that this policy be included in the Conference Report on the Trade and Development Act of 2000, as did I. However, through this Executive Order, the policy this Administration has pursued with your support will be implemented by the U.S. Government. The Executive Order will encourage beneficiary sub-Saharan African countries to build a better infrastructure to fight diseases like HIV/AIDS as they build better lives for their people. At the same time, the Trade and Development Act of 2000 will strengthen African economies, enhance African democracy, and expand U.S.-African trade. Together, these steps will enable the United States to forge closer ties with our African allies, broaden export opportunities for our workers and businesses, and promote our values around the world.

Thank you for your leadership on this critically important issue.

Sincerely,

BILL CLINTON.

Mr. President, I ask unanimous consent that following my remarks, the Executive order itself be printed in the RECORD.

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

(See exhibit 1.)

Mrs. FEINSTEIN. Mr. President, I thank the President for this Executive order. It is the right thing to do and it is a major help. I very much hope that the African countries will make use of this Executive order and acquire the necessary pharmaceuticals that we here in this country know can extend the lives and well-being of people.

Almost 1 year ago, on May 11, the World Health Organization declared that HIV/AIDS is now the world's most deadly infectious disease. As of December of last year, the AIDS Epidemic Update, published by the Joint United Nations Program on HIV/AIDS, U.N. AIDS, and the World Health Organization, notes the following:

As the 20th century draws to a close, some 33.6 million men and women worldwide face a future dominated by a fatal disease, unknown just a few decades ago. According to new estimates from the Joint U.N. Program

on HIV/AIDS and the World Health Organization, 32.4 million adults and 1.2 million children will be living with HIV by the end of 1999.

Sub-Saharan Africa bears the brunt of the HIV/AIDS with close to 70 percent of the global total of HIV positive people. Most will die in the next 10 years, joining the 13.7 million Africans who have already died, and leaving behind shattered families and crippled prospects for development.

Indeed, the hardest hit African companies face infection rates in excess of 22 percent—that is 22 million people—an overall rate of infection among adults in sub-Saharan Africa eight times the rate of infection worldwide. In some countries of southern Africa, 20 to 30 percent of the population of the country itself are infected.

You can see from this chart the spread of AIDS in sub-Saharan Africa. You see the major countries affected that I am speaking about—Namibia, Botswana, Zimbabwe, Zambia—leading with 16 to 32 percent of adults infected with HIV. The next tranche of 8 percent to 16 percent is in the orange and it drops down from there. In South Africa, you have almost 13 percent of the population infected; that is, 2.8 million people. In Zimbabwe, it is 25.8 percent; that is, 1.4 million people. In Uganda, it is 9.5 percent; that is, 870,000. In the Central African Republic, it is almost 11 percent; that is 170,000. In Zambia, it is 19 percent; that is 730,000. In Kenya, it is 11.6 percent or 1.6 million people.

The destruction caused by HIV/AIDS in sub-Saharan Africa, by far, surpasses the devastation caused by famine, war, and even genocide in Rwanda. According to the United Nations, over 10 times as many people were killed by AIDS in sub-Saharan Africa last year as by war. This chart shows the estimated adult and child deaths from HIV/AIDS during 1998—2 million people in sub-Saharan Africa, out of a global total of 2.5 million. You see why this is pandemic today, actually exceeding the bubonic plague in Europe centuries ago.

The devastation caused by AIDS has dramatically reduced life expectancy in sub-Saharan Africa from the highs witnessed in the early to mideighties, before the devastating effect of AIDS began to be felt. This chart shows that in Botswana, which is this line, life expectancy has fallen from the age of 61 to age 50. In Zimbabwe, it fell from 59 to 47. In Zambia, it fell from age 50 to 38 years. In Malawi, it fell from age 45 to 40 years. In Uganda, it fell from 48 to 38 years.

If the present trends continue, life expectancy—already shortened by a decade or more in many sub-Saharan African countries—is projected to fall more dramatically still. In Zimbabwe, for example, life expectancy is expected to decline by 26 years by 2010, from the age of 59 to the age of 33. That is more than half the life expectancy in little more than two decades. I never thought I would ever see that kind of devastation in one country.

AIDS is also affecting infant and child mortality rates, reversing the de-

clines that have been occurring in many countries during the 1970s and 1980s. According to the U.N., AIDS, by 2010, the child mortality rates of children under 5 will increase by 200 percent in Botswana, by 100 percent in Kenya, Malawi and Tanzania, and Zambia by 100 percent, and by 300 percent in Zimbabwe.

This becomes critical, if you understand that four pills can prevent the transmission of HIV/AIDS from a mother to a child—four pills.

Look at these expected child mortality rates.

Over 30 percent of all children born to HIV-infected mothers in sub-Saharan Africa will themselves be HIV infected. More than 500,000—half a million—babies were infected this past year by their mothers, most of them in sub-Saharan Africa.

As these statistics in the U.N. AIDS Report that I cited attest, sub-Saharan Africa has been far more severely affected by AIDS than any other part of the world.

Mr. President, it is not just adults who are being killed by AIDS in sub-Saharan Africa. Out of 510,000 children killed by AIDS throughout the entire world, 470,000 were African children. That is 92 percent of the world's total.

What does that say for the future? Almost a half million children are killed in one continent alone. For anyone who has ever been a mother or a father, a grandmother or a grandfather, this number is mind numbing.

Beyond the carnage of the deaths, this disease has the potential to destabilize already fragile political and economic systems in sub-Saharan Africa.

The United Nations reports that 23.3 million adults and children are infected with the virus, up from 22 million a couple of years ago. Africa has only 10 percent of the world's population, but it has 70 percent of the worldwide total of infected people.

That is what this chart shows. And it is shocking.

Worldwide, there were 5.6 million new AIDS infections in 1999—3.8 million of them in Africa. That is two-thirds of the new infections of AIDS taking place in Africa. Every day, 11,000 more people are infected with HIV—1 in every 8 seconds—and 10,000 of the 11,000 new HIV infections that take place around the world occur in this area.

Teachers, doctors, and nurses are today dying faster than they can be replaced. What does that say about the human development and the economic upward mobility of that country if the teachers, the doctors, and the nurses die faster than they can be replaced? In addition to the death toll striking down adults and children alike, as the "Report on the Presidential Mission on Children Orphaned by AIDS in Sub-Saharan Africa" notes:

Tragically, the worst is yet to come. During the next decade more than 40 million children will be orphaned by AIDS—40 million children orphaned by AIDS, and this

"slow-burn disaster" is not expected to peak until 2030. According to UNICEF, the HIV-AIDS pandemic in sub-Saharan Africa is having and will continue to have more impact on child survival and maternal mortality than all other emergencies combined. Without a doubt, AIDS has placed an entire generation of Africa's children in jeopardy.

Of the 13 million children orphaned by AIDS so far, 10 million of them are in sub-Saharan Africa.

In Zimbabwe, there are currently 600,000 AIDS orphans, and the projection is that there will be more than 1 million by 2005. That is a 40-percent increase in orphans in one country alone in the next 5 years. Think about it for a minute. It is staggering.

There are rumors that some of the leaders of these countries don't want to deal with the drugs that can prevent passage from the mother to the child because they don't want to deal with the number of orphans that are going to be present in that country. I find this also shocking. You have more than 1 million orphans in 5 years growing up in poverty, without parents and with little or no social structure.

What does this say about the success of an African Trade Act, if you think about it? No teachers, no doctors, no nurses, and millions of orphans without parents, what does that say about economic and human development of a country?

In South Africa, there are already close to 250,000 AIDS orphans. The number is expected to skyrocket to 2½ million by 2010. This is South Africa. This is from 1990 to 2010. Here we are at 2000, and this is what is anticipated to be the number of orphans by 2010. The number is 2.5 million in one country alone. How can this bill provide them with the resources to lead better lives in the future? What good will this bill do if this happens?

All told, over 34 million people in Africa have been infected by HIV since the pandemic began. That is the population of the State of California. And an estimated 13.7 million Africans have lost their lives to AIDS—more than the entire population of Los Angeles and New York City combined. By 2005, if policies do not change, the daily death toll will reach 13,000—double what it is today—with nearly 4 million AIDS deaths in sub-Saharan Africa alone.

A recent CNN Interactive story, "AIDS in Africa: Dying by the Numbers," put the extent of the crisis in this way:

... The bubonic plague is reckoned to have killed about 30 million people in medieval Europe. The U.S. Census Bureau projects that AIDS deaths and the loss of future populations from the deaths of women of child-bearing age means that by 2010, sub-Saharan Africa will have 71 million fewer people than it would otherwise.

In all of these countries in sub-Saharan Africa, there will be 71 million fewer people because of AIDS in the next 10 years. Just think about that for a minute.

I would also like to spend some time addressing the situation in several dif-

ferent countries in the region—some hard hit, some less so—so that my colleagues have a better sense of the chaos and disruption this disease is causing in individual countries and society.

The statistics that I cite below are drawn from UNA's World Health Organization epidemiological fact sheets on AIDS and includes data up to 1997. By all accounts, in almost every country in the region, the situation has grown much worse in the past 3 years. There could be little doubt about the pandemic.

Let's begin with Botswana. In Botswana, over 25 percent of the population between 15 and 49 is infected with HIV. That is 25 percent of the population. In Botswana's major urban areas, 40 percent of pregnant women are infected with HIV. From 1994 to 1997, the rate at which children have been orphaned in Botswana quadrupled. Almost 50 percent of Botswana's children under 15 are AIDS orphans. AIDS is responsible for over half of the deaths of all children under the age of five.

Let's look at Ethiopia. Ethiopia has a relatively low infection rate for sub-Saharan Africa, just 9.3 percent, with 5.6 million out of a population of 60 million infected. Over 35 percent of women in Ethiopia age 20 to 24 have HIV. That is a rate 3 times higher than men. In 1985, less than 1 percent of prostitutes in Addis Ababa were HIV positive. By 1990, that proportion had reached 54 percent. This is the point of spreading of the disease. Very little is being done about it.

Kenya currently has a relatively low rate of HIV infection. It is 11 percent. HIV prevalence is much higher in the major urban areas and is over 25 percent in Nairobi, where almost 90 percent of prostitutes are HIV positive. This is the wonderful city of Nairobi, where 90 percent of the prostitutes are spreading this disease heterosexually through the countryside. There are currently at least 350,000 AIDS orphans in Kenya, with the number expected to reach 1 million by 2005. By 2005, Kenya will have one million orphans, thanks to AIDS. That is a 200 percent increase. The cumulative number of deaths due to AIDS has risen from 16,000 in 1989 to 200,000 in 1995 and is expected to pass the one million mark this year. One million dead and one million orphans.

Kenya is a beautiful country. It is shocking what is happening. I hope some of the pharmaceutical companies that lobbied against this amendment are listening. Mr. President, 75 percent of AIDS cases in Kenya occur among adults age 20 to 45, the economically most productive time of the population. The prevalence of HIV in pregnant women in urban areas has risen from 2 percent in 1985 to 16 percent in 1997.

Let's go to Malawi. It is estimated around 1 in 7 of the population, age 15 to 49, is HIV positive. That is 15 percent of the population, or 670,000 peo-

ple. More than 80,000 people died of AIDS in 1 year alone, 1997, and Malawi has an accumulative death toll of over 450,000 people. I hope the pharmaceutical companies are listening.

Over 25 percent of women attending prenatal clinics in the urban centers test positive for HIV. Girls 15 to 24 years in age are six times more likely to be positive than boys the same age. Other infectious diseases are also on the upswing. Tuberculosis has tripled since the late 1980s, largely due to AIDS. By the end of 1997, over 6 percent of Malawi's children under 15 were orphans.

Let's look at Nigeria, Africa's most populace country, with 118 million people. More than 2.2 million people, around 5 percent, are HIV positive. Although Nigeria appears to have a relatively low incidence at present, trend lines are not comforting. The prevalence in pregnant women in urban areas went from below 1 percent in 1991 to almost 7 percent in 1994. Likewise, the prevalence of HIV in prostitutes has more than doubled during this same period in urban areas, and increases from 3.9 percent to 23 percent in rural areas. Nearly 50 percent of the prostitutes in Lagos, the largest city, are HIV positive, spreading the disease. There were 350,000 AIDS orphans in Nigeria as of 1997.

Let's look at South Africa. About 3 million people in South Africa are infected with HIV, 13 percent of a population of 43 million. Estimates are by 2010, 25 percent of South Africa's population will be HIV positive. By 1997, 180,000 children were orphaned. That figure will skyrocket to 2 million by 2010. There will be two million orphans in South Africa because of AIDS by 2010. Mr. President, 20 percent of pregnant women are infected. There are close to 400,000 deaths due to AIDS in South Africa since the beginning of the epidemic.

Let's go to Zambia, with an infection rate close to 20 percent. It is one of the hardest hit countries in sub-Saharan Africa. As of 1997, over 770,000 adults and children in Zambia were AIDS affected. There are more than 630,000 estimated AIDS cases. There have been 600,000 cumulative deaths since the beginning of the epidemic. After Uganda, Zambia has the highest proportion of children orphaned by AIDS in the world. By the end of 1997, 360,000 children, almost 10 percent of the children under 15, were orphaned because of AIDS. Four simple pills could prevent the transmission of AIDS from a pregnant woman to a child. Mr. President, 28 percent of adults in the urban area and 15 percent in rural areas are infected with HIV.

To give a sense of how the crisis is eroding social stability in Zambia, last year alone, 1,300 teachers in Zambia died from AIDS. Only 700 new teachers were available to take their place. How do you teach children to be able to get a job in the new marketplace that this bill hopes to bring about if the teachers

are dying of AIDS, if the children are orphaned? Zimbabwe has one of the worst AIDS epidemics in the world. Currently, 26 percent of all adults age 15 to 49 are infected with HIV, more than 1.5 million out of a total population of 5.5 million.

The United Nations Population Division has projected that over the next five years half of all child deaths in the country will be due to AIDS.

As in Zambia, by the end of 1997 there were over 360,000 AIDS orphans in Zimbabwe and, as I mentioned earlier, projections are for Zimbabwe to be faced with over 1 million AIDS orphans in the next five years.

The HIV/AIDS crisis is driving families in sub-Saharan Africa worn-down by widespread poverty to the brink of disaster, and eroding the ability of the regions governments to provide services while at the same time increasing the demand for them. This is especially true in health care, where AIDS-related illnesses sometimes account for almost half the hospital beds and in-patient days.

The transition to democracy in the region may also be imperiled, and economic growth may grind to a halt as a result of the AIDS crisis destabilizing social structures.

These numbers, and the impact this disease is having on individual counties in sub-Saharan Africa, is staggering, but it is difficult to capture the depth of the devastation and suffering in the region with statistics and charts. To try to give a better sense of the impact of HIV/AIDS, let me read the first few paragraphs from a story published in the *Village Voice* last year, part of a Pulitzer Prize winning series of articles by journalist Mark Schoofs.

Let me warn you: the following is not for the faint of heart or faint of stomach.

They didn't call Arthur Chinaka out of the classroom. The principal and Arthur's uncle Simon waited until the day's exams were done before breaking the news: Arthur's father, his body wracked with pneumonia, had finally died of AIDS. They were worried that Arthur would panic, but at 17 years old, he didn't. He still had two days of tests, so while his father lay in the morgue, Arthur finished his exams. That happened in 1990. Then in 1992, Arthur's uncle Edward died of AIDS. In 1994, his uncle Richard died of AIDS. In 1996, his uncle Alex died of AIDS. All of them are buried on the homestead where they grew up and where their parents and Arthur still live, a collection of thatched-roofed huts in the mountains near Mutare, by Zimbabwe's border with Mozambique. But HIV hasn't finished with this family. In April, a fourth uncle lay coughing in his hut, and the virus had blinded Arthur's aunt Eunice, leaving her so thin and weak she couldn't walk without help. By September both were dead.

The most horrifying part of this story is that it is not unique. In Uganda, a business executive named Tonny, who asked that his last name not be used, lost two brothers and a sister to AIDS, while his wife lost her brother to the virus. In the rural hills of South Africa's KwaZulu Natal province, Bonisile Ngema lost her son and daughter-in-law, so she tries to support her grand-

daughter and her own aged mother by selling potatoes. Her dead son was the breadwinner for the whole extended family, and now she feels like an orphan.

In the morgue of Zimbabwe's Parirenyatwa Hospital, head mortician Paul Tabvemhiri opens the door to the large cold room that holds cadavers. But it's impossible to walk in because so many bodies lie on the floor, wrapped in blankets from their deathbeds or dressed in the clothes they died in. Along the walls, corpses are packed two to a shelf. In a second cold-storage area, the shelves are narrower, so Tabvemhiri faces a grisly choice: He can stack the bodies on top of one another, which squishes the face and makes it hard for relatives to identify the body, or he can leave the cadavers out in the hall, unrefrigerated. He refuses to deform bodies, and so a pair of corpses lie outside on gurneys behind a curtain. The odor of decomposition is faint but clear.

Have they always had to leave bodies in the hall? "No, no, no," says Tabvemhiri, who has worked in the morgue since 1976. "Only in the last five or six years," which is when AIDS deaths here took off. Morgue records show that the number of cadavers has almost tripled since the start of Zimbabwe's epidemic, and there's been a change in who is dying: "The young ones," says Tabvemhiri, "are coming in bulk."

The wide crescent of East and Southern Africa that sweeps down from Mount Kenya and around the Cape of Good Hope is the hardest-hit AIDS region in the world. Here, the virus is cutting down more and more of Africa's most energetic and productive people, adults aged 15 to 49. The slave trade also targeted people in their prime, killing or sending into bondage perhaps 25 million people. But that happened over four centuries. Only 17 years have passed since AIDS was first found in Africa, on the shores of Lake Victoria, yet according to the Joint United Nations Programme on HIV/AIDS (UNAIDS), the virus has already killed more than 11 million sub-Saharan Africans. More than 22 million others are infected [and nobody cares].

Only 10 percent of the world's population lives south of the Sahara, but the region is home to two-thirds of the world's HIV-positive people, and it has suffered more than 80 percent of all AIDS deaths.

Last year, the combined wars in Africa killed 200,000 people. AIDS killed 10 times that number. Indeed, more people succumbed to HIV last year than to any other cause of death on this continent, including malaria. And the carnage has only begun.

In addition to the devastating health impact, HIV/AIDS in Sub-Saharan Africa is also threatening to undermine economic, social, and political stability in the region—the very issues which the African Growth and Opportunity Act is intended to address.

In Zimbabwe and Botswana, for example, where roughly one of every four people have AIDS, the disease has cut sharply into population growth with profound consequences. According to Karen Stanek, chief of health studies for the U.S. Census Bureau:

The zero growth is coming because people are dying in their young adult years, not after leading full lives and then dying.

People are dying in the years when they're supposed to be most productive.

As World Bank President James Wolfensohn said at the United Nations this past January:

Many of us used to think of AIDS as a health issue. We were wrong. AIDS can no longer be confined to the health or social sector portfolios. AIDS is turning back the clock on development.

As the HIV epidemic deepens in Africa, it is leaving an economically devastated continent in its wake.

At the most simple level, already impoverished families that must care for a member who is ill with HIV/AIDS find that what little they had to pay for a child's education or invest for the future is now gone.

The United Nations Joint Program on HIV/AIDS found that urban families in the Cote d'Ivoire, known as the Ivory Coast in this country, with a member sick from AIDS cut spending on their children's education in half and reduced food consumption by about 40 percent as they struggled to cover health care costs.

Moreover, as the epidemic has worsened, so have estimates of its effect on African economies, even without taking into account broader human welfare issues.

Indeed, because of the impact of HIV/AIDS, David Bloom, a professor of economics and demography at the Harvard School of Public Health, warns that "The whole economy [in Africa] could unravel."

In "Confronting AIDS," the World Bank factored in labor supply issues and the amount to which health care would be financed out of savings to come up with a "rough estimate" of a 0.5 percent annual reduction in per capita GDP growth. I believe this estimate to be on the low side.

One-half of 1 percent may not seem like much. Indeed, for countries with relatively high growth rates such as Uganda, that kind of reduction will not seem to be immediately crippling, but a lower growth rate has a cumulative effect.

A country whose growth rate is 2 percent a year will increase its GNP per capita by 81 percent in one generation, or about 30 years. Each generation will live much better than the last.

However, if AIDS reduces growth to just 1.5 percent per year, the same country will increase its GNP per capita by only about 50 percent in the same period.

This chart shows the change in per capita GDP caused by AIDS in Kenya. The yellow is a no AIDS scenario, and one can see the enormous rise in GDP. The red is the AIDS scenario, even with the African Growth and Opportunity Act, and one can see how it is sequentially lower.

Thus, in Kenya, for example, UNAIDS estimates that while per capita GDP was estimated to increase from 5,600 Kenyan shillings in 1990 to over 6,000 Kenyan shillings by 2005 without AIDS, with the impact of AIDS per capita GDP will remain stagnant over the same period of time.

Likewise, in South Africa UNAIDS estimates that because of the impact of HIV/AIDS the Human Development

Index—which measures the level of human development through a formula based on life expectancy at birth, adult literacy, school enrollment, and real per capita GDP has dropped by over 15 percent from 1995 to the present. That is a 15-percent drop due to AIDS in 5 years. Without HIV/AIDS South Africa's HDI was projected to remain more or less the same.

Finally, the combined effects of HIV/AIDS on health, economic life, the social fabric, and political institutions, has created a genuine threat to future stability and security in sub-Saharan Africa.

That is why, at the initiative of Ambassador Holbrooke and Vice President GORE, the 15-member United Nations Security Council decided to address AIDS earlier this year.

As Secretary General Kofi Annan told the Security Council:

In already unstable societies, this cocktail of disasters is a sure recipe for more conflict. And conflict, in turn, provides fertile ground for further infections.

And, as Dr. Peter Piot, Executive Director of the Joint United Nations Programme on HIV/AIDS, said:

Visibly, the epidemic is eroding the social fabric of many communities. In its demographic, social and economic impact, the epidemic has become more devastating than war, in a continent where war and conflict appear to be endemic.

As U.S. Ambassador to the United Nations Richard Holbrooke said, if we do not work with Africa now to address the problems associated with the HIV/AIDS crisis, "we will have to deal with them later when they will get more dangerous and more expensive."

It is in recognition of the destabilizing effects of HIV/AIDS in Africa that the Clinton-Gore administration has taken the step of designating AIDS a threat to U.S. national security interests, as reported the other week in the Washington Post. I believe the administration is to be congratulated for its recognition of the profound effects that this disease is having, and for this effort.

There are many explanations for why this pandemic is sweeping across sub-Saharan Africa: Certainly the region's poverty, which has deprived Africans of access to health information, health education, and health care. Conflict, which has led to increases in refugee flows, and increases in prostitution have also played a role. Cultural and behavior patterns, which has led to sub-Saharan Africa being the only region in which women are infected with HIV at a higher rate than men, may also play a role.

Clearly, in addressing the challenges presented by this disease there needs to be considerable emphasis addressing the health care infrastructure of sub-Saharan Africa and on additional resources for education. I intend to address both these points later.

I also believe that if the international community is to be successful in meeting this challenge, we must

make every effort to get appropriate medicine into the hands of those in need.

In the United States and much of the industrialized world, even as sub-Saharan Africa has been ravaged by the impact of HIV/AIDS, we have succeeded, in large part, in turning HIV/AIDS into a chronic disease; not curing it—that must still remain a top priority—but managing it. We have done so, in large parts, by developing effective pharmaceuticals and getting them to those in need.

Indeed, for too many years there were no effective drugs.

I remember, as Mayor of San Francisco, I was the first mayor to implement a program to deal with AIDS in the United States, and remember trying to manage this disease in its early days, when cause, let alone treatment, was unclear; when drugs were simply not available; when HIV/AIDS was devastating our community, and many, many promising young people—many of them my friends—were struck down in the prime of their lives; and when we simply did not know how big the crisis would get, or if our health care system could handle it.

So in some small way, I think I understand what policymakers in many sub-Saharan African countries are now going through.

Now, thanks to recent medical research, we do have effective medicine. For example, some recent pilot projects have had success in reducing mother-to-child transmission by administering the anti-HIV drug AZT, or a less expensive medicine, Nevirapine, NVP, during birth and early childhood.

In fact, new studies indicate NVP can reduce the risk of mother-to-child transmission by as much as 80 percent. Just think of the statistics on orphans and HIV-infected children that could be stopped with four of these pills. NVP is given just once to the mother during labor and once to the child within three days of birth. Three or four pills can mean that a child is prevented from being born with AIDS.

For just \$4 a tablet—a little more than the cost of a large latte at Starbucks, not a lot here but a great deal in Africa—this inexpensive drug regime has created an unprecedented opportunity for international cooperation in the fight against AIDS. Currently, however, less than 1 percent of HIV infected pregnant women have access to interventions to reduce mother-to-child transmission.

In addition to such drugs as NVP, drug "cocktails" administered in a treatment regimen known as HAART—highly active antiretroviral therapy—antiretroviral drugs can allow people living with AIDS to lead a normal life. And use of the drugs can lead to long-term survival rather than early death. Such treatment has proven highly effective in developed countries, including our own.

Although some pharmaceutical companies may try to tell you otherwise,

most antiretrovirals drugs are relatively inexpensive to produce. AIDS Treatment News recently reported that:

AZT in bulk can be purchased for 42 cents for 300 mg from the worldwide suppliers; this price reflects profits not only to the manufacturer but also to the middleman bulk buyer. The same drug retails at my local pharmacy for \$5.82 per pill. This ridiculous price bears no real relation to the cost of production.

Unfortunately—and inexplicably in my view—access for Africans to AIDS medications or "antiretrovirals" is perhaps the most contentious issue surrounding the response to the African epidemic.

According to an article, "Poor Nations Ravaged by AIDS Need the Right Resources" that appeared in the December 1, 1999 issue of the Journal of the American Medical Association:

For as many years as antiretroviral therapies have been available, AIDS activists have accused pharmaceutical companies of price gouging and challenged them to reduce prices and cut their profit margins on drugs for people with HIV infection and AIDS. In a pilot drug access initiative launched in 1997 in Uganda, Cote d'Ivoire, Chile, and Vietnam, UNAIDS succeeded in negotiating discounts on drugs manufactured by Abbott Laboratories, Bristol-Myers Squibb Co, Glaxo Wellcome Inc, Merck & Co Inc, and Roche Laboratories.

In Uganda, the cost of dual antiretroviral drug therapy has been cut from \$600 to \$250 per month; triple combination therapy that used to cost \$1000 per month is now between \$500 and \$600 (J Int Assoc Physicians AIDS Care. 1999;5:48-60). Dorothy Ochola, MD, coordinator of the drug access initiative in Uganda, said the US Centers for Disease Control and Prevention has offered free laboratory monitoring of patients for 2 years.

While the program has helped hundreds of HIV-infected people in Uganda gain access to therapy, it is far from a cure-all. Along with government subsidies for drugs, the initiative offers less expensive drugs for palliative care and opportunistic infections, but patients must pay out of pocket for antiretroviral drugs. With a population of 21 million and the number of HIV-positive persons estimated at 930,000, Uganda's approximately 825 patients receiving antiretroviral drugs through the program are a drop in the bucket.

Unfortunately, it is true that even at reduced rates in all too many cases the cost of combination therapy is beyond the means of most people living with AIDS and governments in sub-Saharan Africa.

Combination therapy in South Africa was estimated at \$334 per month or \$4,000 per year, and UNAIDS reports that Brazil treated 75,000 people with antiretrovirals in 1999 at a cost of \$300 million—or, again, \$4,000 per person.

I strongly believe that we have a strong moral obligation to try to save lives when the medications for doing so exist, and it is critical that the United States play a leadership role in the international community to increase access to life-saving drugs.

For example, the United States should not oppose African governments and donor agencies from achieving reductions in the cost of antiretrovirals

through negotiated agreements with drug manufacturers.

The British pharmaceutical firm Glaxo Wellcome, a major producer of antiretrovirals, has already stated that it is committed to "differential pricing," which would lower the cost of AIDS drugs in Africa. And I say, hooray; one company. These efforts are to be commended, and it is my sincere hope that companies willing to adopt "differential pricing" will help African countries get the drugs they need at prices they can afford.

Now I will speak about compulsory licensing and parallel importing for a moment.

This is the issue raised by my amendment and now the President's Executive Order. The United States must not oppose "parallel importing" and "compulsory licensing" by African governments to lower the price of patented medications so that HIV/AIDS drugs are more affordable, and more people in Africa will have access to them.

Through parallel importing, patented pharmaceuticals can be purchased from the cheapest source, rather than from the manufacturer. Under compulsory licensing an African government could order a local firm to produce a drug and pay a negotiated royalty to the patent holder.

Both parallel imports and compulsory licensing are permitted under the World Trade Organization agreement for countries facing health emergencies—and there can be little doubt that Africa is facing a health emergency of monumental proportions.

My amendment, cosponsored by my colleague from Wisconsin, would have simply codified current administration policy—as the administration has now opted to do itself via Executive order—which states that the U.S. Government will not oppose efforts by governments of the countries of sub-Saharan Africa to supply HIV/AIDS drugs to their citizens through compulsory licensing or parallel importing.

This amendment did not create new policy or a new approach on intellectual property rights under the World Trade Organization agreement on Trade Related Aspects of Intellectual Property Rights, known as TRIPS, nor does it require IP rights to be rolled back or weakened.

There are few in this body as committed to the notion of strict protection of U.S. intellectual property rights as I am.

Just a few years ago, for example, when the United States and China were involved in a dispute over IPR protection for movies, music, and computer software, I worked with the administration to convince China that it was important to respect the rights of the patent holder and live up to its commitments to respect intellectual property rights. And, I am pleased to note, China's record since that time on IP issues has improved.

The compulsory licensing process under my amendment was fully con-

sistent with the WTO's approach to balancing the protection of intellectual property with a moral obligation to meet public health emergencies such as the HIV/AIDS pandemic in Africa.

According to an opinion I solicited from the Congressional Research Service on this question, the amendment I offered:

... would appear to be consistent with the TRIPS agreement since on its face it only prohibits U.S. government authorities, such as the U.S. Trade Representative (U.S.T.R.) From seeking a revocation of law or policy which offers adequate intellectual property rights protection consistent with the TRIPS agreement. . . . The TRIPS agreement permits compulsory licensing under certain conditions. . . .

In other words, despite what some pharmaceutical companies have been saying behind closed doors about this amendment over the past few weeks, this amendment did not weaken intellectual property rights protection one iota. It left the bar exactly where it is right now.

Let me be clear about this: My amendment—and now the President's Executive Order—does not create new policy or a new approach on IP rights under TRIPS, nor does it require IP rights to be rolled back or weakened. All it asked is that in approaching HIV/AIDS in Africa, U.S. policy on "compulsory licensing" and "parallel importing" remain consistent with what is accepted under international trade law.

By doing so, this approach will allow the countries of sub-Saharan Africa to determine the availability of HIV/AIDS pharmaceuticals in their countries, and provide their people with affordable HIV/AIDS drugs.

It was, or so I thought, a simple, common-sense approach to dealing with one facet of one of the most pressing and important national security and international health issues that we face in the coming decades: The HIV/AIDS pandemic currently sweeping across sub-Saharan Africa.

Let me provide one example of why the approach adopted by my amendment, and now the President's Executive Order, is necessary.

On March 14 of this year, Doctor's Without Borders—the medical relief group that won the Nobel Prize last year—sent a letter to Pfizer calling on Pfizer to lower the price of fluconazole, a drug needed to treat cryptococcal meningitis, the most common systemic fungal infection in HIV-positive people, in developing countries.

As the Doctors Without Borders letter notes, in Thailand fluconazole is available for just \$1.20 for a daily dose. Yet in Kenya and South Africa, the daily dose costs \$17.84, almost 15 times higher. That is unconscionable and is greed in the ultimate.

What accounts for the difference in price?

In Thailand a generic version is available. In Kenya and South Africa the only supplier is Pfizer.

As Bernard Pecoul, director of the Doctors Without Borders Access to Es-

sential Medicines Campaign has noted, "People are dying because the price of the drug that can save them is too high."

As the March 14 Doctors Without Borders letter notes, "While we appreciate that patents can be an important motor of research and development funding, there must be a balance to ensure that people in developing countries have access to life-saving medicines." I could not agree more.

Under pressure from Doctors Without Borders, Pfizer has since agreed to provide free fluconazole to South Africa. This situation never should have existed to begin with.

Without "compulsory licensing" and "parallel importing," which would allow access to cheaper generic drugs, more people in sub-Saharan Africa will suffer and die.

So why, given that it represented a common sense approach to a devastating problem fully consistent with international trade law did my amendment meet such stiff opposition in conference?

After long and hard consideration, I have concluded that there can be only one possible answer to that question: Profits and corporate greed.

Simply put, the pharmaceutical companies which manufacture HIV/AIDS drugs would prefer to be able to sell drugs for \$18 a dose rather than \$1 per dose, with the additional \$17 going straight to fattening the bottom line.

If there was a legitimate policy debate to be had, why did the opponents of including this provision in the bill not wage their fight out in the open?

The answer is because they had no arguments which would stand up to the light of day—so they restricted their activities to attacking this amendment behind closed doors, out of the public view. And they succeeded, in conference, with literally no one in the room except for a few members, in getting this amendment killed.

The pharmaceutical companies who were opposed to this amendment—opposed because they want to squeeze every last drop of profit from the suffering of the millions of HIV/AIDS victims in sub-Saharan Africa—were successful, behind closed doors, in killing my amendment.

The revenue created from the sale of HIV/AIDS-related drugs is staggering.

Crixivan, used to treat HIV infections, produced \$675 million in revenue for Merck, in 1998; Zithromax, used to prevent *Mycobacterium avium* complex in people with advanced HIV infections, produced over \$1.04 billion in revenue for Pfizer, in 1998; Fluconazole, used to treat cryptococcal meningitis, produced \$916 million in revenue for Pfizer, in 1998; Epivir, used in combination with AZT as a treatment option for HIV infection in adults and pediatric patients that are at least three months old, produced \$595 million in revenue for Glaxo Wellcome, in 1998; Combivir, used as a treatment option for HIV infection in adults and adolescent patients that are at least twelve



years old, produced \$442 million in revenue for Glaxo Wellcome, in 1998; AZT, used for the treatment of adults with AIDS, produced \$248 million in revenue for Glaxo Wellcome, in 1998; Taxol, used to treat AIDS-related Kaposi's sarcoma, produced over \$1.2 billion in revenue for Bristol-Meyers Squibb, in 1998; Zerit, used for the treatment of adults with advanced HIV infections, produced \$551 million in revenue for Bristol-Meyers Squibb, in 1998; Videx, used for the treatment of adult and pediatric patients with advanced HIV that are intolerant to or deteriorating on AZT, produced \$162 million in revenue for Bristol-Meyers Squibb, in 1998; Invirase, used for advanced HIV infections, produced \$397 million in revenue for Hoffman-La Roche, in 1998; Hivid, used in combination with AZT for patients with advanced HIV, produced \$65 million in revenue for Hoffman-La Roche, in 1998; Famvir, used for the treatment of recurrent mucocutaneous herpes simplex infections in HIV-infected patients, produced \$172 million in revenue for SmithKline Beecham, in 1998; Gamimune N, used to prevent bacterial infections in HIV-infected pediatric patients, produced \$235 million for Bayer, in 1998; Biaxin, used to treat disseminated mycobacterial infections due to *Mycobacterium avium-intracellulare* complex (MAC), produced \$1.25 billion in revenue for Abbott Laboratories, in 1998; Novir, used in combination with nucleoside analogues for the treatment of HIV-infections, produced \$250 million for Abbott Laboratories, in 1998; Epogen, used to treat anemia related to AZT therapy, produced \$1.38 billion in revenue for Amgen, in 1998; Sustiva, used to treat HIV-1 infections in combination with other antiretrovirals, produced \$75 million in revenue for DuPont Pharmaceuticals in 1998.

Viramune, used to treat HIV-infected adults experiencing clinical or immunologic deterioration, produced \$154 million in revenue for Boehringer Ingelheim, in 1998; Serostim, used for the treatment of AIDS-wasting and cachexia, produced \$88 million in revenue for the Ares-Serono Group in 1998; Viracept, used to treat HIV infection when antiretroviral therapy is needed in adults and pediatric patients that are at least two years old, produced \$530 million for Agouron Pharmaceuticals, in 1998; and Abecet, used to treat aspergillosis, a fungal infection, produced \$73 million for The Liposome Company, in 1998.

All of the above-mentioned drugs were among the 500 best selling drugs in the world, in 1998.

Driven in no small part by the profits on HIV/AIDS drugs, the pharmaceutical sector has proven to be one of the most profitable corporate sectors in the world. In 1999 pharmaceutical companies had a 18.6 percent return on revenues, which is 17 percent higher than the number two sector on the list, and a 16.5 percent return on assets, which is 7 percent higher than the number two sector on the list.

For shame, for opposing this amendment.

Merck, the producer of Crixivan, had an 18 percent return on revenues and a 17 percent return on assets.

Bristol-Meyers Squibb, the producer of Taxol, Zerit, and Videx, had a 21 percent return on revenues and a 24 percent return on assets.

Pfizer, the producer of Zithromax and Fluconazole, had a 20 percent return on revenues and a 15 percent return on assets.

Abbott Laboratories, the producer of Biaxin and Norvir, had a 19 percent return on revenues and a 17 percent return on assets.

Amgen, the producer of Epogen, had a 33 percent return on revenues and a 27 percent return on assets.

Ironically, the pharmaceutical companies would profit more from the approach embodied in my amendment than they do right now. Presently, most sub-Saharan African countries are not buying these drugs since they can not afford the price tag, so the pharmaceutical companies are not earning any money at all on these HIV/AIDS drugs in these countries. But if sub-Saharan African countries produced HIV/AIDS drugs through "compulsory licensing," or purchased them by "parallel importing," the pharmaceutical companies holding the patents on these drugs would receive royalties.

I have a very hard time understanding how lobbyists behind closed doors prevail on this body, in the middle of a world health crisis, to prevent the use of cheaper drugs when the figures I have documented are decimating these countries in a major public health emergency. I don't know how they sleep at night. I really do not. I don't know how they can look at a country with 1 million or 2 million AIDS-produced orphans and sleep at night. I really do not understand it.

Let me touch for a moment on what else is to be done.

By itself, the approach of the Feinstein-Feingold Amendment, and the President's Executive order, will not solve the problem of HIV/AIDS in Africa. It only addresses one area—an important area, but only one—of a large and complex problem.

As Dr. David Satcher, the Surgeon General of the United States, wrote in "The Global HIV/AIDS Epidemic" in JAMA, the Journal of the American Medical Association, in April 1998:

More than a decade of experience has taught us how to control HIV/AIDS—we know what works. Many developed countries have successfully checked the spread of the epidemic. While development of therapy and a vaccine continue, prevention must be emphasized. The basic elements of prevention include education, behavior change, voluntary testing and counseling prevention of perinatal transmission, and political commitment. Each country must find the mix of methods appropriate to its particular conditions.

Education about HIV/AIDS is necessary but alone does not change the behavior of populations. Promotion of voluntary testing and counseling must complement education.

Testing and counseling break the deadly silence around HIV/AIDS and empower individuals to make informed decisions and change behaviors. Breaking the silence also will begin to diffuse the stigma surrounding the disease. We have seen success with behavioral change in Uganda and Thailand, the only two less-developed countries with extensive capacity for voluntary testing and counseling.

It is known that perinatal transmission of HIV can be reduced by more than 50% by using antiretroviral therapy; however problems with access to these drugs limit their use in some countries. Transmission of HIV through breast-feeding and poor survival of orphans make the avoidance of disease via treatment for perinatal transmission more complex. We continue to work with international organizations, other governments, and pharmaceutical companies to lower costs and expand access to antiretroviral drugs. Current treatment for perinatal transmission, as well as use of antiretrovirals in general, in less-developed countries is also limited by the fact that very few people have been tested for HIV infection.

Treatment of other sexually transmitted diseases (STDs) is important to control the spread of HIV. One of the reasons HIV has spread so rapidly in Africa is that so many STDs go untreated. Untreated STDs break down natural barriers that prevent transmission. Access to even basic treatment for STDs remains a problem for many less-developed countries.

Perhaps most important in the global battle against HIV/AIDS is political commitment. Leaders at the national, provincial, and local levels of government must speak out about HIV/AIDS and encourage businesses and nongovernmental organizations to commit to work against the disease. I was encouraged by U.S. Vice President Al Gore and Deputy President Thabo Mbeki of South Africa, who put the HIV/AIDS threat at the top of the international agenda at the recent meeting of the United States-South Africa Joint Commission. They set an important example for leaders in developed and less-developed countries.

American medicine and public health have an important role to play in the global battle against HIV/AIDS by supporting international organizations such as the Joint United Nations Program on HIV/AIDS, the World Health Organization, and the World Bank.

HIV/AIDS can be likened to the plague that decimated the population of Europe in the 14th century. While the modern epidemic affects people of all age groups, those of working age are at highest risk, posing potentially dire economic, social, and political consequences for the global community. Unfortunately, the world continues to devote greater attention and resources to traditional national security issues such as wars, postponing notice of an epidemic that, if left to spread unchecked, will kill more people than any of the terrible conflagrations that have so marked this century.

Because of the complexity of dealing with this issue, the Clinton-Gore Administration has asked Congress to commit \$150 million toward vaccine research and AIDS treatment and prevention programs in Africa.

The Administration's initiative dedicates \$100 million for the prevention and treatment of HIV and AIDS in Africa, Asia and other regions, doubling current U.S. funding of AIDS prevention efforts. An additional \$50 million will go to the Vaccine Fund of the



Global Alliance for Vaccines and Immunizations for research, and the purchase and distribution of vaccines for other infectious diseases in developing nations.

The Administration's initiative, announced by the Vice President this past January, also includes plans for a public-private partnership with U.S. business leaders active in Africa, with a goal of developing workplace education programs designed to end the stigma and "break down the barriers against discussing AIDS."

The Vice President has also proposed specific funding for the U.S. military to work with armed forces in Africa to combat AIDS, an especially important initiative given the high rates of infection among soldiers.

I believe that it is crucial that we provide support for these efforts at least at the level the Administration has called for.

In fact, I am a cosponsor of a bill introduced by my colleague from California, Senator BOXER, which calls for USAID to make HIV/AIDS a priority in foreign assistance funding and authorizes \$2 billion over five years, with at least 50 percent targeted at sub-Saharan Africa, for a comprehensive coordinated effort to combat HIV/AIDS, including testing, education, treatment, and the provision of medicines to prevent mother-to-child transmissions.

I should note here that I was also disappointed that the Conference choose not to include an Administration initiative to provide a tax credit for the President's Millennium Vaccine Initiative tax credit proposal. This proposal would create a tax credit to encourage the development of vaccines for malaria, tuberculosis, HIV/AIDS, or any infectious disease that causes over 1 million deaths annually worldwide.

Such a tax credit would encourage the development of a vaccine for HIV/AIDS. As Dr. Seth Berkley, president of the International AIDS Vaccine Initiative has put it: "We need new prevention technologies, and the most critical one is a vaccine. . . . Ultimately, only a vaccine can stop the epidemic."

These actions and policies must be part of a larger development effort if we are to help these sub-Saharan African countries control the HIV/AIDS pandemic.

Debt relief must also be part of a this larger development effort. It is unconscionable that many of these countries are spending more than a quarter of their precious export earnings on debt service payments to bilateral and multilateral creditors. The World Bank is correct when it declares that debt burdens at these levels are unsustainable.

The citizens of most of these countries are extremely poor, and they are burdened with unsustainable debts built up during the Cold War. These debts were accrued during the 1970s and 1980s by unaccountable governments.

Debt service diverts scarce resources away from spending on health care,

health education, and poverty reduction initiatives in these countries. Debt servicing absorbs up to 40 percent of national revenue among a majority of countries in sub-Saharan Africa.

We must lead the international community in efforts to write-off unsustainable debts so these countries can spend more money health education, infrastructure and services, as well as other development needs.

Let me conclude and thank the Senate for its forbearance. I am sorry for my display of emotion. I have watched people die of AIDS. I know what it is like. I can't imagine what it must be like in Africa where citizens maybe don't have a home, where they have an enormous cultural taboo attached to it, where there is no food, there is no medicine, and to know that a few pills can prevent the transmission of AIDS to a child for a nominal sum of money, and to know, literally, that in the coming years this could save 5 to 10 million people.

Just to think of what went on behind closed doors by lobbyists for pharmaceutical companies is unconscionable. The TRIPS agreement, the World Trade Organization, at a time of national health emergency, permits compulsory licensing and parallel importing. For these pharmaceutical companies that have made the kind of money they have made—and I know they will say they spent millions and millions on research and development; I have a member of my family who was director of research for one of the companies that worked on an antiretroviral—the bottom line is every one of these annual reports shows a substantial increase in profit.

Yet in little-known countries in sub-Saharan Africa, people are literally dying by the millions. Today we are considering a trade initiative bill which aims at giving them a better way of life. What is the better way of life if you can't live? What is the better way of life if you are dying of AIDS? What is a better way of life if you were 1 of 5 million orphans born in sub-Saharan Africa? What is a better life if you were born one of these HIV-infected orphans?

I find the act of pharmaceutical companies in opposing this amendment unconscionable.

I thank the Chair for its forbearance, and I thank the Senate. I also thank the administration for doing a major act of conscience in the production of an Executive order which will allow the purchase of these drugs at the lowest possible rates.

#### EXHIBIT 1 EXECUTIVE ORDER

##### ACCESS TO HIV/AIDS PHARMACEUTICALS AND MEDICAL TECHNOLOGIES

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 141 and chapter 1 of title III of the Trade Act of 1974, as amended (19 U.S.C. 2171, 2411-2420), section 307 of the Public Health Service Act (42 U.S.C. 2421), and section 104 of the For-

eign Assistance Act of 1961, as amended (22 U.S.C. 2151b), and in accordance with executive branch policy on health-related intellectual property matters to promote access to essential medicines, it is hereby ordered as follows:

**Section 1. Policy.** (a) In administering sections 301-310 of the Trade Act of 1974, the United States shall not seek, through negotiation or otherwise, the revocation or revision of any intellectual property law or policy of a beneficiary sub-Saharan African country, as determined by the President, that regulates HIV/AIDS pharmaceuticals or medical technologies if the law or policy of the country:

(1) promotes access to HIV/AIDS pharmaceuticals or medical technologies for affected populations in that country; and

(2) provides adequate and effective intellectual property protection consistent with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)).

(b) The United States shall encourage all beneficiary sub-Saharan African countries to implement policies designed to address the underlying causes of the HIV/AIDS crisis by, among other things, making efforts to encourage practices that will prevent further transmission and infection and to stimulate development of the infrastructure necessary to deliver adequate health services, and by encouraging policies that provide an incentive for public and private research on, and development of, vaccines and other medical innovations that will combat the HIV/AIDS epidemic in Africa.

**Sec. 2. Rationale:** (a) This order finds that:

(1) since the onset of the worldwide HIV/AIDS epidemic, approximately 34 million people living in sub-Saharan Africa have been infected with the disease;

(2) of those infected, approximately 11.5 million have died;

(3) the deaths represent 83 percent of the total HIV/AIDS related deaths worldwide; and

(4) access to effective therapeutics for HIV/AIDS is determined by issues of price, health system infrastructure for delivery, and sustainable financing.

(b) In light of these findings, this order recognizes that:

(1) it is in the interest of the United States to take all reasonable steps to prevent further spread of infectious disease, particularly HIV/AIDS;

(2) there is critical need for effective incentives to develop new pharmaceuticals, vaccines, and therapies to combat the HIV/AIDS crisis, including effective global intellectual property standards designed to foster pharmaceutical and medical innovation;

(3) the overriding priority for responding to the crisis of HIV/AIDS in sub-Saharan Africa should be to improve public education and to encourage practices that will prevent further transmission and infection, and to stimulate development of the infrastructure necessary to deliver adequate health care services;

(4) the United States should work with individual countries in sub-Saharan Africa to assist them in development of effective public education campaigns aimed at the prevention of HIV/AIDS transmission and infection, and to improve their health care infrastructure to promote improved access to quality health care for their citizens in general, and particularly with respect to the HIV/AIDS epidemic;

(5) an effective United States response to the crisis in sub-Saharan Africa must focus in the short term on preventive programs designed to reduce the frequency of new infections and remove the stigma of the disease,

and should place a priority on basic health services that can be used to treat opportunistic infections, sexually transmitted infections, and complications associated with HIV/AIDS so as to prolong the duration and improve the quality of life of those with the disease;

(6) an effective United States response to the crisis must also focus on the development of HIV/AIDS vaccines to prevent the spread of the disease;

(7) the innovative capacity of the United States in the commercial and public pharmaceutical research sectors is unmatched in the world, and the participation of both these sectors will be a critical element in any successful program to respond to the HIV/AIDS crisis in sub-Saharan Africa;

(8) the TRIPS Agreement recognizes the importance of promoting effective and adequate protection of the intellectual property rights and the right of countries to adopt measures necessary to protect public health;

(9) individual countries should have the ability to take measures to address the HIV/AIDS epidemic, provided that such measures are consistent with their international obligations; and

(10) successful initiatives will require effective partnerships and cooperation among governments, international organizations, nongovernmental organizations, and the private sector, and greater consideration should be given to financial, legal, and other incentives that will promote improved prevention and treatment actions.

*Sec. 3. Scope.* (a) This order prohibits the United States Government from taking action pursuant to section 301(b) of the Trade Act of 1974 with respect to any law or policy in beneficiary sub-Saharan African countries that promotes access to HIV/AIDS pharmaceuticals or medical technologies and that provides adequate and effective intellectual property protection consistent with the TRIPS Agreement. However, this order does not prohibit United States Government officials from consulting with or otherwise discussing with sub-Saharan African governments whether such law or policy meets the conditions set forth in section 1(a) of this order. Moreover, this order does not prohibit the United States Government from invoking the dispute settlement procedures of the World Trade Organization to examine whether any such law or policy is consistent with the Uruguay Round Agreements, referred to in section 101(d) of the Uruguay Round Agreements Act.

(b) This order is intended only to improve the internal management of the executive branch and is not intended to, and does not create, any right or benefit, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

WILLIAM J. CLINTON.

The PRESIDING OFFICER (Mr. THOMAS). Under the previous order, the Senator from Wisconsin is recognized.

Mr. FEINGOLD. I ask unanimous consent, at the conclusion of my remarks, a Republican Senator be recognized to speak, if one seeks recognition, and that Senator HOLLINGS be the next speaker recognized to speak thereafter.

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

Mr. FEINGOLD. Mr. President, let me first say the senior Senator from California certainly should not apologize for her emotion. If there ever was an issue that deserves such a powerful display of passion and emotion, it is this issue of the AIDS crisis in Africa and the outrageous nerve of these pharmaceutical companies of removing this modest provision that the Senate unanimously placed in the bill in the conference report. It is an abysmal moment.

I thank the Senator for her leadership, her passion, and for her willingness to continue this fight that we all will continue as long as it takes.

Before we go any further with this conference report, I come to the floor to follow on the comments of the Senator from California to make something clear to my colleagues. I think we can do better than this. We have lost our way with this new Africa policy. We have to chart a new course if we are to seek a better world for Africa and for America.

I say this as a Senator, an American, and as a human being who has been to Africa, seen its promise, and been appalled by its suffering. I come here to express my disappointment about the African Growth and Opportunity Act and my deep dismay about how and why the Feinstein-Feingold amendment on the HIV/AIDS crisis was kept out of the conference report.

Very simply, I am talking today about the future of U.S.-Africa policy. We have a role to play in Africa's future and we have to decide what that role is going to be. Some in this body think AGOA is the right example of what our role in Africa's future should be. The African Growth and Opportunities Act supporters believe this legislation is somehow a landmark, that it represents a real opportunity for growth on the continent, a new way of thinking about Africa. They want us to believe, as they believe, that to reject it would be to reject all engagement with the continent and, indeed, to reject all of the enterprise and energy of the people of Africa.

But they are wrong. This bill is deeply flawed. For 7 years I have served on the Foreign Relations Subcommittee on Africa and I have committed myself to supporting democratization, peace, and development in the many countries of that continent. I support engagement with Africa as strongly as any Member of this body. I am deeply concerned about the dearth of economic ties between the people of the United States and those of the African Continent. The current level of trade between us is depressingly small. Africa represents only 1 percent of our imports, 1 percent of our exports, and only 1 percent of our foreign direct investment.

So if the question is, Should something be done to stimulate our trade with Africa, the answer is "absolutely."

But I urge this body, let's not pretend we are now somehow debating a comprehensive trade package for Africa, for this bill is not in any sense comprehensive. Let's not fail to address the need to build an environment, an actual environment that will foster and sustain mutually beneficial economic relationships. If we fail to assemble the components of that environment in this trade package, it cannot be called comprehensive, and I would certainly say it should not even be passed.

There really are only two defensible views of this bill. It either does virtually nothing at all, or it does actual harm. This legislation does very little for Africa. The trade benefits we are talking about are not terribly significant, primarily making African states eligible for temporary preferential access to the U.S. markets for textiles and apparel. Many of Africa's primary exports are not addressed at all by this legislation. This legislation does little to address the African context for economic growth and that context is a challenging one. It is a context of boundless potential amid a web of obstacles.

Economic growth in sub-Saharan Africa faces the obstacle of a staggering \$230 billion in bilateral and multilateral debt. Africa's debt service requirements now take over 20 percent of the region's export earnings. How can Africa, to which the Presiding Officer has certainly devoted a lot of his attention, become a strong economic partner when its states must divert funds away from schools, away from health care, and away from infrastructure in order to service this crushing debt burden? How can we talk about economic engagement and simply pay lip service to these painfully obvious realities?

I am sorry to say in several ways I think this legislation actually would do harm. By addressing seriously only one industry, the textile industry, it fails to support the kind of diversification that any economy, including African economies, need to regain strength and stability. I fear AGOA also fails to adequately tackle the serious problem of transshipment.

Transshipment is a practice whereby, for example, producers in China and other third party countries establish sham production facilities in countries which may export to the United States under more favorable conditions. Then these producers ship goods, made in their factories at home and meant for the U.S. market, to the third country. In this case it would be an African country. They pack it or assemble it in some minor way and send it off to the United States of America with a new label "Made In Africa," thereby enjoying all the trade benefits that label would bring.

As I told my colleagues on a number of occasions, and as I think they know, transshipment is really a very serious problem. Approximately \$2 billion worth of illegally transshipped textiles

enter the United States every year. The U.S. Customs Service has determined that for every \$1 billion of illegally transshipped products that enter the United States, 40,000 jobs in the textile and apparel sector are lost.

In this regard, just to give you a sense of the thinking that goes on behind this kind of scam, I would like to share some of the words from the People's Republic of China. This is a quote taken directly from the official web site of the Chinese Ministry of Trade and Economic Cooperation. This is the quote:

There are many opportunities for Chinese business people in Africa. . . . Setting up assembly plants with Chinese equipment, technology and personnel could not only greatly increase sales in African countries, but also circumvent the quotas imposed on commodities of Chinese origin imposed by European and American countries.

There it is, right on their web page. It is not hard to see that those who would engage in transshipment are not too worried about the protections we currently have in place to guard against it. This same visa system that has failed us in the past is the basis, again, for the allegedly effective AGOA protections. In fact, the African Growth and Opportunity Act does not require that Africans themselves be employed at firms that are receiving the trade benefits. This is progress? If nothing else, I think it raises a red flag for my colleagues, when they consider the African Growth and Opportunity Act. This should be a crystal clear signal: Nothing in this Act ensures that whatever opportunities this legislation may create—there is no guarantee these will be opportunities for Africans, for citizens of African countries.

AGOA does not mention environmental standards at all, but any plan for sustainable economic development must include some notion of environmental protection. I think this is especially true of a continent like Africa where, in some countries, 85 percent of the people live directly off the land. We are all affected when logging and mining deplete African rain forests and increase global warming.

We all lose when species unique to Africa are lost to hasty profit-making schemes, hatched without regard to sustainability or long-term environmental effects. Environmental quality also has serious implications for peace and stability in the region. As we have seen in the Niger Delta, environmental degradation can lead to civil unrest. Responsible trade policies must adequately address human rights and environmental issues, not just because it is the right thing to do but because also in the long run it will create a better business climate for Africans and Americans alike.

In addition, the African Growth and Opportunity Act fails to address the critical role that development assistance ought to play in promoting African growth and opportunity. That failure has raised an alarm here at home

and internationally. The perception is that the United States has deluded itself into believing that a small package of trade benefits, benefits which may not actually benefit Africans themselves, can replace a responsible and well-monitored program of development assistance. I am afraid that this inevitably will cast doubt on the U.S. commitment to development in Africa.

I care about each of the objections I just raised to this bill. But let me tell you, just as the senior Senator from California indicated, more than anything else what makes me doubt the U.S. commitment to development in Africa is that this conference report turns a blind eye to the AIDS crisis by excluding the modest Feinstein-Feingold amendment. As the ranking member of the subcommittee on Africa, I have always felt very strongly about the issue of AIDS in Africa. I tried to raise it last year and this year in the context of the Africa trade debate. I raised it on many occasions in meetings with African heads of state.

I applaud the U.N. Security Council's decision to address the crisis earlier this year, and I do support the administration's call to increase the resources directed at this AIDS crisis. But what I cannot support, what I cannot applaud, and what I cannot even understand is how this body can pass up an opportunity to take just one small step toward addressing the AIDS crisis in Africa. I am referring to the Feinstein-Feingold amendment. It was very modest. It simply prohibited Federal money from being used to lobby a government to change TRIPS-compliant laws, allowing access to HIV drugs. Our amendment was taken out in the conference committee. So now this bill, which makes a weak attempt to address Africa trade as it is, does nothing—an African Growth and Opportunity Act does nothing to actually address the HIV/AIDS crisis that affects every aspect of the African economy, not to mention every African life.

We have before us a conference report which does nothing to fight the AIDS crisis that is ravaging Africa, threatening to destroy its economies and decimate its communities. Why? How can it be that we will debate a bill of this nature and ignore the single most important issue facing sub-Saharan Africa today? Why is it that one modest provision included by this Senate, the Feinstein-Feingold amendment regarding HIV/AIDS drug in Africa, was removed from this bill?

When the Senate was debating that legislation last year, Senator FEINSTEIN and I offered our amendment, which was readily accepted by the bill's managers, Senators ROTH and MOYNIHAN, to address a critically important issue—an issue relating to Africa's devastating AIDS crisis; an issue that has cast a dark shadow on United States-African relations in the past.

Our amendment was simple. It prohibited the U.S. Government or any

agent of the U.S. Government from pressuring African countries to revoke or change laws aimed at increasing access to HIV/AIDS drugs, so long as the laws in question adhere to existing international regulations governing trade. Quite simply, our amendment told the executive branch to stop twisting the arms of African countries that are using legal means to improve access to HIV/AIDS pharmaceuticals for their people.

The Agreement on Trade Related Aspects of Intellectual Property Rights, or TRIPS, allows for compulsory licensing in cases of national emergency. Approximately 13 million African lives have been lost since the onset of the crisis. According to the Rockefeller Foundation's recent report, "on statistics alone, young people from the most affected countries in Africa are more likely than not to perish of AIDS." Consider that I say to my colleagues: more likely to perish than not. If these do not constitute emergency conditions, then I do not know what does.

This was a very modest amendment, but the final version of the amendment discussed by the conferees was even more modest. It was a true compromise. It was not as strong as I would have liked it to be, and I worked hard to keep it strong, but even the compromise pushed our policy closer to the right thing. I again thank the Senator from California, Mrs. FEINSTEIN, the Senator from New York, Mr. MOYNIHAN, and the Senator from Delaware, Mr. ROTH, and their staffs for working so hard to keep this amendment in at the conference level.

But despite these efforts, despite the concessions that Senator FEINSTEIN and I made, despite the fact that this is the right thing to do, the Feinstein-Feingold amendment was stripped in conference. The opposition to our amendment is baffling. How do the conferees who killed this provision justify pressuring these countries, where in some cases AIDS has reduced life expectancies by more than 15 years, not to use all legal means at their disposal to provide effective medicines for their citizens? Without broader access to these drugs in Africa, more people will suffer, more people will die—that is a simple fact.

I cannot imagine that ordinary Americans are urging their representatives to oppose the Feinstein-Feingold amendment. I cannot imagine that anyone would try to prevail upon my colleagues to oppose this measure—except perhaps for pharmaceutical companies. The pharmaceutical industry does not fear losing customers in Africa, because they know that Africans simply cannot afford their prices. But they do fear that taking this modest step in this time of crisis could somehow, in some ill-defined scenario in the future, cut into their most important consideration: their bottom line.

That brings me to the calling of the bankroll.

From time to time on this floor when we debate the issues, I review some

facts and figures that most of my colleagues are unwilling to discuss.

I have dubbed it the "calling of the bankroll"—a chance for my colleagues and the public to consider not just the issues, but the money that drives the issues in our democracy today.

I can tell you, the pharmaceutical industry is certainly no exception when it comes to playing the political money game—in fact, huge donations to the parties are the rule in the pharmaceutical industry.

I would like to discuss a few of the companies that fought against the Feinstein-Feingold amendment, not in terms of policy, although I have certainly done that and will continue to, but in terms of political donations.

All the figures I am about to cite are for the first 15 months of the current election cycle—all of 1999 and the first 3 months of this year.

I will start with Pfizer, which is one of several pharmaceutical giants that rank among the top soft money donors in 1999, and with good reason. Pfizer and its executives gave more than \$511,000 in soft money during the period, including a \$100,000 contribution earlier this year. Pfizer was also a top PAC money donor in its industry during the period, with more than \$242,000 to Federal candidates during the period.

Then there's Bristol Myers Squibb, another top soft money donor, which, with its executives, gave nearly \$529,000 in soft money to the parties, including two \$100,000 contributions during the period. Bristol Myers Squibb also gave more than \$146,000 in PAC money during the period.

Merck and Company gave more than \$51,000 in soft money and nearly \$168,000 in PAC money during the period.

And finally, Glaxo Wellcome and its executives gave more than \$272,000 in soft money to the parties and gave more PAC money than any other pharmaceutical company during the period—more than \$291,000.

Those are the donations of some of the pharmaceutical companies that fought so hard against the Feinstein-Feingold amendment. They are donations that signal influence, power, and political clout—political clout that most Americans could never hope for, and no African living with HIV could ever dream of. In the fight over the Feinstein-Feingold amendment, the pharmaceutical companies clearly got their way, while millions of Africans suffering from HIV and AIDS were left without even one glimmer of hope from this body or this bill.

The people of Africa desperately need hope in the midst of the AIDS crisis. I am going to share some numbers, along the lines of other speakers, that put the staggering AIDS crisis in Africa in stark relief.

The disease is already the fourth biggest cause of death in the world. In at least five African countries, more than one adult in five has HIV.

Economic growth in Africa faces the obstacle of a devastating HIV/AIDS epidemic. In the course of 1998, AIDS was responsible for an estimated 2 million African deaths. That is 5,500 deaths a day. At least 12 million Africans have been killed by AIDS since the onset of the crisis. Africa accounts for over half of the world's cases of HIV. The realities of a continent gripped by this disease are truly horrifying—lines outside cemeteries as families wait to bury the dead, and morgues that operate around the clock, 7 days a week. I am told in Harare, Zimbabwe there are 24-hour morgues.

For Africa's children, it may be most horrifying of all. Eighty-seven percent of the world's HIV-positive children live in Africa. According to World Bank President James Wolfensohn, the disease has left 10 million African orphans in its wake. Their lives are that continent's future. Their chronic illness and their deaths each day erode a little more of Africa's promise. It is difficult to see how the United States can enjoy mutually beneficial trade relations with Africa unless we commit ourselves to addressing the HIV/AIDS crisis on a scale beyond anything we have done before.

In Botswana, Namibia, Zambia and Zimbabwe, 25 percent of the people between the ages of 15 and 19 are HIV positive.

One report by ING Barings, an investment bank, said that almost 19 percent of all skilled workers in South Africa will have HIV by 2015. To make matters worse, food production in southern Africa has been impacted by the crisis. For example, maize production in Zimbabwe declined 61 percent last year due to illness and death from AIDS.

By 2010, sub-Saharan Africa will have 71 million fewer people than it would have had if there had been no AIDS epidemic.

My recent trip to ten African countries only renewed my resolve to address this matter with the urgency and seriousness it deserves.

When we were in Namibia, I saw a group of HIV-positive citizens pull up to a meeting in a van with curtained windows, and they hurried to the safety of the meeting room as soon as they arrived. They were fearful. They were afraid that their identity would be revealed, and that the stigma still attached to the disease would cause them to lose their jobs and maybe even to be disowned by their own families. It was shocking—in a country gripped by the epidemic, people are still afraid to acknowledge the crisis.

In Zambia I visited an orphanage of sorts, where 500 children, many of them orphaned when AIDS killed their parents, gathered by day.

This isn't even an orphanage where you get to stay at night. It is just a place where a bunch of kids who don't have any parents hang out during the day before they go out to the streets at night to sleep. At night, there is only room for 50 of them—the rest must

make their own arrangements, and many end up sleeping on the streets, sometimes prostituting themselves—thereby risking exposure to HIV in their own struggle to survive. By the end of this year, an astonishing 10.4 million African children under 15 will have lost their mothers or both parents to AIDS—90 percent of the global total of AIDS orphans.

In Zimbabwe, some estimates indicate that life expectancy has precipitously dropped from 65 to 39 years. Let me repeat that: life expectancy in Zimbabwe dropped from 65 to 39. Walking past the Parliament building one day, I asked how old one had to be to become a legislator there in Zimbabwe. What was the answer? The answer was 40. Life expectancy is 39, but you have to be 40 to be elected to the legislature. That exchange helped me to grasp how far-reaching the consequences of this disease really are—no society is structured in a way that prepares it to deal with an unchecked epidemic like AIDS. In southern Africa, life expectancy at birth is dropping at a frightening rate. According to one recent U.N. report, expected life spans in the region will drop from 59 years in the early 1990s to just 45 by the year 2010.

In July 1999, the National Institutes of Health released a report on the effectiveness of a drug called nevirapine—NVP—in preventing mother-to-child transmission of HIV. Studies indicate that this drug can reduce the risk of mother-to-child transmission by more than 50 percent.

NVP is given just once to the mother during labor and once to the baby within 3 days after birth. It cost \$4 per tablet. This relatively simple and inexpensive drug regimen has created an unprecedented opportunity for international cooperation in the fight against the vertical transmission of HIV.

And Uganda is making real headway with regard to prevention. There was a time in Uganda when, of the women coming to the reproductive health clinics, 35 to 40 percent of them tested positive for HIV. But since 1992, the Ugandan Government's very frank and high-profile public education efforts have helped to reduce the incidence of HIV infection by more than 15 percent. Uganda has shown that something can be done. Uganda has demonstrated that prevention can work.

But despite these positive signs, there are many fronts on which there has been very little progress. Virtually no one has access to drugs to treat the disease. Prevention is unquestionably the most important element of the equation, but treatment cannot be ignored. Poverty should not be a death sentence—not when the infectious disease that is destroying African society can be treated.

The AIDS crisis in Africa is exactly what the TRIPS agreement was meant to address. This is a crisis, an emergency on an incomprehensibly vast scale. This is the rare and urgent situation that calls for something beyond a

dogmatic approach to intellectual property rights.

If allowing for a TRIPS-compliant response seems expensive, just think how expensive it will be, in the long run, not to do so. Even beyond the human tragedy, there are vast economic costs to this epidemic. AIDS affects the most productive segment of society. It is turning the future leaders of the region into a generation of orphans.

It is simply unconscionable for the U.S. Government to fight the legal efforts of African states to save their people from this plague. I cannot imagine why any of my colleagues would support such action. Those dissatisfied with the TRIPS agreement should focus their efforts on changing it—not on twisting the arms of countries in crisis who seek only to protect their people from sickness and death in a manner that complies fully with international law.

Again, how could the irresponsible and callous decision to strip the Feinstein-Feingold amendment from the conference have been made? I have some idea, as I said before. Some may have bowed to the pressure of the pharmaceutical industry. And some members just don't get it.

But this body has to "get it." We don't have time to posture while HIV infects more than 15,000 young people each day, and the most productive segment of a society is wiped out by disease. We cannot waste precious legislative opportunities as millions of orphans grow up on Africa's streets, without any guidance or education. After witnessing the shocking violence that resulted, in large part, from the masterful manipulation of disenfranchised youth in West Africa over the last decade, I think we all have to take this threat seriously, and acknowledge that the threat is fueled each day by the withering scourge of AIDS that today is galloping through so much of Africa and other parts of the developing world.

Mr. President, until recently this Senate has been moving in the right direction on these issues. I have been pleased to work with many of my colleagues in a bipartisan effort—I do want to mention in particular the Presiding Officer, the Senator from Tennessee for his efforts in this regard—we have worked together to raise the profile of the epidemic and to work toward a comprehensive package aimed at addressing this crisis. It disturbs me a great deal to think that Members of this body have somehow failed to hear us, or perhaps refused to listen.

As long as we fail to grasp the magnitude of the epidemic and its consequences, AIDS will continue to take its terrible toll on families and communities, on economies, and on stability around the world. And as long as we pass legislation like AGOA, we fail to seriously address virtually every crucial aspect of our trade relationship with sub-Saharan Africa.

Everytime we make this kind of weak attempt to improve our trade re-

lationship with Africa, we admit that we are willing to dismiss African countries' problems, and that we are comfortable ignoring the continent's boundless promise.

I care deeply about Africa and about U.S. policy towards Africa, and my colleagues know that. But I am here today not just because of my own concerns, but because of others—because I know how deeply they care about Africa, and I have heard them voice their very serious concerns about AGOA.

African-American leaders ranging from Cornel West to Randall Robinson have opposed the African Growth and Opportunity Act.

Last year, a group of African-American Ministers representing communities from Massachusetts and Mississippi, California and New Jersey, Virginia and Illinois came to Capitol Hill to express their opposition to the African Growth and Opportunity Act. I would like to submit the statement of Reverend Alexander Hurt of the Hurt Inner-City Ministries for the RECORD.

Here is what he said.

I have never fully felt like an American until the day that I watched my President land in the land of my fathers. It was like introducing two old friends to each other. That the AGOA is in any way associated with that trip is saddest part of this debate. There are millions of African-Americans who, like me, connect the President's trip of Africa with a start of a new kind of relationship between not only Africa and America, but Africa and the West. AGOA closes that possibility. For it represents not a new future, but a return to the past.

America in a period of abundance that is unknown in human history, can not be moved to reach out to Africa to help starving nations. In the end we must decide if we will have a foreign policy that reaches out with a hand toward nations as equals, or with a hammer and pound them into subjection. Few things have changed with America's position toward Africa. What was once done with the canon and the gun is now being done with medicine and debt.

I have heard African voices raise the alarm about AGOA as well as American ones. The Congress of South African Trade Unions, COSATU, has issued a statement opposing the African Growth and Opportunity Act.

A statement issued by 35 African NGOs—including Angola's Journalists for the Environment and Development, Kenya's African Academy of Sciences, South Africa's International People's Health Council and Zambia's Foundation for Economic Progress—strongly opposed AGOA.

Women's groups have spoken out as well. WiLDAF—Women in Law Development in Africa, a coalition of African women and women's advocacy groups, opposes the African Growth and Opportunity Act, as does Women's EDGE, a coalition of international development organizations and domestic women's groups.

The Africa-America Institute organized focus group discussions in eight African countries and the U.S. to foster discussion of proposed U.S.-Africa trade legislation. They found that

AGOA will not contribute to African development unless the U.S. and other donor countries also increase investments in African human resource development and take measures to relieve Africa's debt burden.

I know that others have voiced support for AGOA, and I don't question their motives. Some of those supporters believe that this is the only game in town, and that a deeply flawed Africa trade bill is better than no bill at all. They are wrong. This bill should not become law.

Originally, I tried to make this bill better. I proposed alternative legislation, the HOPE for Africa Act. It was based largely on the efforts of my colleague from the House, Congressman JESSE JACKSON, Jr., who has been an important leader on this issue.

The provisions of the HOPE bill pointed the way toward a more comprehensive and a more responsible U.S.-Africa trade policy.

Mr. President, I wanted to amend AGOA to make goods listed under the Lome Convention eligible for duty-free access to the U.S., provided those goods are not determined to be import-sensitive by the President. These provisions would mean more trade opportunities for more African people.

My proposals clearly spelled out the labor rights that our trade partners must enforce in order to receive benefits. They also contained a monitoring procedure that involves the International Federation of Trade Unions, so that violations would not be glossed over at the expense of African workers.

I proposed stronger human rights language, and incentives for foreign companies operating in Africa to bring their environmental practices there up to the standards that they adhere to at home.

I proposed tough transshipment protections that give American entities a stake in the legality of the products they import. I wanted to be sure that Africans and Americans really would benefit from our U.S.-Africa trade policy.

In that same vein, I proposed that trade benefits be contingent upon the level of African content in products and the employment of African workers.

I proposed that the U.S. re-assert its commitment to responsible, well-monitored development assistance for Africa.

Mr. President, I would have been irresponsible not to propose changes to AGOA to address the factors crippling Africa's economic potential today—debt, HIV/AIDS, and corruption.

I urged this Senate to include anti-corruption provisions, to address debt relief, to prioritize HIV/AIDS prevention and treatment, and to address the issue of Africa's intellectual property laws, to ensure that U.S. taxpayer dollars are not spent to undermine the legal efforts of some African countries to gain and retain access to low-cost pharmaceuticals.

Mr. President, if all of this sounds ambitious, it was. Any plan to seriously engage economically with Africa must be ambitious. We must be willing to do what is necessary to knock down the obstacles to a healthy, thriving and just commercial relationship between the countries of Africa and the U.S. The bill before us falls far short of the minimum meaningful effort. The rhetoric that surrounds the African Growth and Opportunity Act is certainly ambitious. It is the content that is insufficient.

We must demand more of a U.S.-Africa trade bill than AGOA has to offer. Ambitious plans can lead to rich rewards for both America and Africa. Every time we turn our backs on a strong economic partnership with African nations, we pass up an opportunity to bring stability, democracy, and prosperity to the continent.

We can do better than this, Mr. President. We must do better. We have veered dangerously off course with this legislation and with this conference report. It is time to reconsider this bill and the direction of U.S.-Africa policy because, very simply, our current course promises failure of U.S. policy toward Africa and decades more of despair and lost opportunity for Africa's people.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. GREGG). The Senator from Kentucky is recognized.

Mr. BUNNING. Mr. President, I rise in opposition to the conference report to H.R. 434, the Africa/CBI bill.

This is a bad proposal, and it should not become law. In fact, the only good thing that I can say about it is that it's not as bad as it could have been. Still, it should not pass.

In recent years, we have lost over 5,000 textile jobs in southern Kentucky. Nationwide, we have lost over 100,000 textile jobs since NAFTA. They're gone. They're not coming back.

Now there aren't many left, and I am not going to support any legislation that I believe is going to ship the rest of these jobs overseas.

But, that's just what this bill would do. It would suspend quotas and duties on clothing made from many African-made fabrics. It calls for duty-free imports of T-shirts and fabric from the Caribbean.

In short, it's going to make it cheaper and more enticing for the textile companies to locate overseas, where labor costs are lower, and to take jobs with them.

The bill also extends duty-free treatment to other "import sensitive" items like certain types of watches, electronic articles, steel products, footwear, handbags, luggage, and glass products.

I respect the good intentions of those who support this bill in wanting to help poor countries in Africa and the Caribbean. But I don't think we should do that at the expense of American workers and their jobs.

Furthermore, this bill simply looks like a one-way street to me. It makes it easier for African and Caribbean nations to import products to the United States, but as far as I can tell it doesn't do much for the United States.

Of course, our economy is a lot bigger and stronger than all of their's put together, but that doesn't mean we just give away part of the store for free.

Mr. President, I believe strongly in free trade. I have long supported fast-track legislation to give the President broad authority to negotiate trade agreements. And I voted for the GATT legislation the last time it came before Congress.

But I also believe in fair trade, and this bill isn't fair.

As I said earlier, this bill is bad but it is not as bad as it could have been. When Congress first started working on this bill over 5 years ago, it was intended to provide NAFTA-like treatment to imports from Caribbean nations. Fortunately, this bill doesn't go that far.

But, it still follows the same flawed concepts that are behind NAFTA and have driven at least 7,000 Kentucky jobs south to Mexico.

Supporters of this bill say that economic growth and investment in African and Caribbean nations will benefit us in terms of increased exports and increased domestic employment because of those exports.

Of course we want healthy economies in this area to help strengthen the growth and stability of democracy. But it doesn't make sense to sacrifice a United States industry to do it.

As I pointed out on the Senate floor last year, the Caribbean Basin apparel and textile business is already booming. Last year, apparel and textile exports from the Caribbean and Central America to the United States grew 9 percent, double that of the United States economy.

Passing this bill simply rewards the U.S. companies that have already moved offshore, and entices others to do the same. In the process, we stand to lose another 1.2 million jobs in the apparel and textile industry.

We keep talking about creating a level playing field when it comes to fair trade. But this bill pulls the field right out from under U.S. industries which have already had an uphill fight just to stay alive.

This is a flawed bill and I'm going to vote against it. I just don't see where it's in our interest to make it easier for other countries to compete with American industries, and to entice U.S. companies to relocate abroad.

This bill is not fair to the American worker.

I urge my colleagues to oppose it and any amendments that even try to make it better.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, as one would say on the bill affecting tex-

tiles, in the famous words of President Reagan, "Here we go again."

This is about more than textiles and textile jobs. It involves the economic strength of the Nation. It involves its political strength. The middle class is disappearing fast. We talk about the digital divide. I want to comment on the disappearance of the middle class itself.

Let me go right to textiles.

I was a witness some 40 years ago relative to the textile industry. In that particular time period, 10 percent of America's consumption in textiles was going to be represented in imports. That was a threat not only to industry itself but to the Nation.

Specifically, I testified before the International Trade Commission. At the time, President Eisenhower was in office. We went by to see General Persons, his Chief of Staff. He said: Don't worry, you will win the case. But in June we got an adverse decision.

At that time, with that adverse decision, I went to our friend, Senator John F. Kennedy, a candidate for the Presidency of the United States, and discussed at length the particular problem. We agreed on an exchange of letters, so to speak, with me outlining the problem, and in turn Senator Kennedy outlining what he thought would be a solution.

We all know then, that Kennedy was elected President. Early in 1961, we had a conference at the White House. He said: In line with what I outlined to you in the campaign, I want it to come under the national security provisions of our trade laws.

So, hark, ye, all who talk and lament that we haven't passed a trade bill in 6 years. It is a good thing we did not pass one, because what we really need to do is get competitive and stop treating foreign trade as foreign aid. This is not a Finance Committee. This is a Foreign Relations Committee. It is a giving away the manufacturing backbone of the United States of America.

Under that national security provision to protect the textile and apparel industry, you had to have a hearing and a determination that the particular commodity, or article, or product was important to our national security.

I will never forget it. We set up the hearing with Secretary Ball—he was the undersecretary for Dean Rusk at State—Secretary Goldberg of Labor, Secretary Freeman of Agriculture, Secretary Hodges of Commerce. A few people remember that Senator Kennedy had a bipartisan Cabinet with a Republican Secretary of the Treasury, Mr. Dillon, and a Republican Secretary of Defense, Mr. McNamara.

We had those five. We brought the witnesses. They made the finding that, next to steel, textiles were second most important to our national security. I remember the particular "wag" at that time, that, look, you couldn't send them to war in a Japanese uniform. So we had to be able to make the clothing and the uniforms.



As a result, President Kennedy on May 13, 1961, promulgated his Seven-Point Program relative to the importation of textiles.

Mind you me: We feared at the time that 10 percent of America's consumption in textile products was being imported or just about to be imported.

As I look at the Chamber now, two-thirds of the clothing I am looking at is imported—not 10 percent. With this particular conference report, there isn't any question that certain parts of the textile industry will immediately disappear, and the rest of it in a 4- or 5-year period will be on the ropes.

You say: Why, oh, why, Senator from South Carolina, are you objecting? Because the American Textile Manufacturers Institute is in favor of the conference report.

That selfish crowd. I call them selfish in a studied way. I authored five textile bills that have gotten through this Senate. I had four of those textile bills go through the House and the Senate, and four of them were vetoed. I know from whence this particular Senator got the votes for these bills. Yes. It was the apparel group in America, the ones who make the clothing.

The little ditty is: We produce for America. We have the fine middle-class jobs, and we are working around the clock. And, yes, we are the most productive textile workers in the world.

The industry itself has invested some \$2 million a year over the past 15 years, keeping up with modernization, with the best of machinery, the best of approaches in employment.

I have made many a sneak through and they don't want to let a Democrat in the plant. But I would sneak in on one floor and duck down into the plant on the bottom floor. It is totally automated in the weave room with the looms, spinning away. They used to have 115 employees, and now have only 15. They have cut back on the employees and put in the most modern machinery. The worker, the machinery, and the industry is the most productive. It is not a question of productivity. We don't have to get globalization and competition so we can make them productive. The politicians run around on the floor of the Senate and some of them have never worked for a living. They don't know what productivity is.

We have quite an opposition. Let me say a word about that. When we first started out, we only had, say, the Japanese Government, with their representatives coming in to talk. But soon after, Chase Manhattan and Citicorp made a majority of their money outside of the United States.

So, in addition to Koreans and Japanese, now we have the international banks. Along with the international banks came the international groups funding campus studies with contributions and they began to get the expert studies off the campuses with the consultants. So we had the banks, the universities, the consultants, and the for-

eign operation. Then, of course, we had the retailers. They wanted to sell a cheap product. So we had the National Retail Federation. They are the biggest supporters of the print media in America, the newspapers. They make their money off of retail advertising. So we have these editorialists, who never bit into customs or the trade practices, writing about free trade, free trade, free trade.

So we have the retailers. Then go to the book "Agents of Affluence," published about 10 years ago. At that time, Japan was paying \$113 million for over 100 representatives in Washington, DC, to look out for their industry, their game of market share.

This bill is all backed up. The white tent is out. We saw it in NAFTA. Only they are afraid to bring the tent down. They are meeting in the White House itself. They are all getting together and running around with the former Presidents, the former Secretaries of State. The former chairman of the Finance Committee, the distinguished ranking member, Senator MOYNIHAN of New York said: When a freshman at City College of New York, I heard that corporations ran America. He was telling corporate America to get out and get the vote.

We had that crowd and we have my ATMI, which is my point. They don't know from "sic 'em" about competition. They know extremely well how we got the votes from Evelyn Dubrow and the apparel workers of America. That's how we passed those bills. The cloth manufacturers have divorced themselves from the apparel manufacturers and said: Fend for yourself. We've got a better offer and we are going to start free trade. It doesn't make any difference so long as we can get fabric forward. If we can get the cloth, we can sell it to them in Africa, in the Caribbean or in Mexico. We will let any trade bill go so long as we can sell. But fend for yourself. You are out of business.

Let me tell you how many jobs we have now that are bound to be gone because the States will be inundated. Alabama has presently 26,500 apparel jobs. Goodbye, Alabama. I want to see those Senators come here now.

California, 146,900 textile, middle-class American jobs, earning \$8 and sometimes \$10 or more an hour. Middle class—I want to emphasize that. Henry Ford said he wanted to make sure the person manufacturing his product was capable of buying it. So he put in the wage scale which allowed that and he started developing a strong middle class.

Florida, let's see the Florida Senators come here and say: Free trade, free trade. Forget about the 19,700 apparel jobs. They are gone. Why?

Because of us, because of us as Senators and Members of Congress, setting the standard of living for industrial America. We say before you can open up that ABC Manufacturing Company, that what you need do, first, is have a

minimum wage, then Social Security, then Medicare, then Medicaid, then plant closing notice, then parental leave, then clean air, then clean water, then safe working machinery, then a safe working place—or we sent OSHA after you. Republicans and Democrats all agree, before you open the front door, you better have all of that in the plant or you are in violation of Federal law. You are out of step with the standard of American living.

But if you can take off and get your T-shirts made in Bangladesh, you have none of those requirements, and pay one cent an hour. In Burma, it is 4 cents an hour. In China, it is 23 cents an hour. In the country of Colombia, it is 70 to 80 cents an hour. In the Dominican Republic, it is 60 cents an hour. In El Salvador, it is 59 cents an hour. In Guatemala, it is 37 to 50 cents an hour. In Haiti, it is 30 cents an hour. In Honduras, 43 cents an hour. In India, 20 to 30 cents an hour. In Indonesia, 10 cents an hour. Malaysia, \$1 an hour. Mexico, 50 to 54 cents an hour. Nicaragua, 23 cents an hour. Pakistan, 20 to 26 cents an hour. Peru, 90 cents an hour. The Philippines, 58 to 76 cents an hour. Romania, 24 cents an hour. Sri Lanka, 40 cents an hour. Thailand, 78 cents an hour.

As you well know, 30 percent in manufacturing is your labor cost, and you can save as much as 20 percent by transferring your production offshore to a low-wage country. That is, maintain your executive office, maintain your sales force, but with a company of \$500 million in sales, transfer the production to Mexico or a low-wage country offshore and you can make \$100 million before taxes. Or you can continue to work your own people and go broke. That is the trade policy of this wonderful Finance Committee that runs all over the floor, bleating and wailing and wondering: Oh, what are we doing for Africa? Isn't this a grand thing we have for the Caribbean and everything else, with no regard to the reality.

They taught us early on, at the beginning of the war in artillery, no matter how well the gun is aimed, if the recoil is going to kill the guncrew, you do not fire. The aim is good.

I would like to put in a Marshall Plan for Mexico. It is a fine business. Let's help the Caribbean, let's help Africa, let's help anybody. There is hunger in the world so let's find it and help with it. But this crowd, wow, they are not going to pay for anything—nothing. They are not going to have any regard from whence they came and the strength of America itself.

Two-thirds of the garments already coming in are imported. In Georgia, there are 26,100 apparel workers; Kentucky, 18,900; Maine, 2,600; Massachusetts, 10,400; Mississippi—the distinguished majority leader said it is a wonderful thing. I want him to go back and tell these 16,600 apparel workers it is the last call for breakfast.

In my beginning days, they used to have that early morning program, the



"Breakfast Club," in Chicago, the Stevens Hotel, with Don McNeil. They would get to the very end and they would say: "It is the last call for breakfast." I can hear the music now. This is the last call for Texas, certainly the last call for the apparel workers, because they are gone. Good-bye Mississippi, 16,600 will be applying for unemployment compensation or going—where? I will tell you where they are going. I think we had a list from the Department of Commerce of these great jobs. I will tell you where they are.

You say: Wait a minute, Senator. How about that employment rate? We have such low unemployment.

Here is where they are going: cashiers, janitors, cleaners, retail salespeople, waiters and waitresses, registered nurses, systems analysts, home health aides, security guards, nursing aides, anything they can get that they can possibly do—for less pay, obviously. In fact, the retail workers, they found out you can hire them as independent contractors and you don't even have to pay for their health care. They have every gimmick in the book to squeeze that middle class here in the United States and bring them down to nothing.

So it goes, for New York, the Senators from New York, I want to inform them, advisedly, there are 74,700. There is no one I respect more, of course, than the senior Senator from New York and the senior House Member, my friend, CHARLIE RANGEL. But if I had CHARLIE here I would say: CHARLIE, 74,700: Going, going—gone. This vote is fixed. That is why we have this exercise here.

They talk about the most deliberative body. They do not call a thing until it is greased; the jury is fixed. Then, after you have gotten the vote of the jury, then you let them talk because it is all over.

North Carolina, 38,300; Pennsylvania, 34,900; South Carolina, 18,500; Tennessee, 23,500; Virginia, 12,900—those are the apparel jobs that are going, going, gone once we get this conference report voted on by tomorrow, I take it. It will go to the President. They will all stand around with big smiles in the Oval Office: Look what we have done. We understand humankind. We want to help sub-Saharan. We want to help the Caribbean.

Let me get right to the point with respect to the apparel versus the cloth manufacturers. As you well know, the manufacture of the fabric itself is capital intensive, so that is why they have not caught up with them yet. But now they are beginning to build those facilities down in Mexico. So, as I said a minute ago, it will be about 5 years and then they will have their own fabric manufacturers down there shipping into the American market. Otherwise, all that fine Japanese machinery that we have in American plants, all of a sudden the price is going to go up. They know how to compete. Our trade policy is anything but reciprocal.

Cordell Hull said "reciprocal free trade." My friend, the distinguished Senator from New York, gets with Smoot-Hawley and Cordell Hull and how we started the reciprocal trade agreements in the 1930s, and we have been for freedom.

Not so at all. No. The very Congress that passed the reciprocal free trade, historically they put in subsidies for agriculture in Montana—yes. Subsidies for agriculture in Montana, and protective quotas. Do not give me free trade for agriculture, you will not get my vote. No, sir, I am not for free trade for agriculture because our protections, our subsidies have made America's agriculture the showcase of the world. We feed ourselves and 15 other countries.

But wait until the China bill. I can't wait for that one to come. They are trying to sell the farmers a bill of goods. There are 3,338,000—go look at the record at the Department of Agriculture. There are 3,338,000 farmers in America. In China, they have 700 to 800 million farmers. They talk about the percentage of arable land. Do not be getting along with that percentage of arable land and everything else. We already have a deficit in the balance of trade in cotton with China. In wheat and cereals and corn and other feedgrains, we had a plus balance 4 years ago, with the country of China, of 440 million. It is down last year to 39 million. You watch them, in 2 years they will have a plus balance. They will be shipping us wheat. But you are going to hear these farmers out on the floor bleating—whoa, we have China free trade for America's agriculture.

So with the wrong facts they have to go to the Department of Agriculture and go to the People's Republic of China and see exactly what they are doing. Actually, they have a glut in the People's Republic of China in agriculture. They do not have the transportation. They do not have the distribution. They do have hunger. But mind you me, when they solve that transportation and distribution problem, then they will be feeding the world like we have been bragging. And the farmers will be coming up here again.

Like that Freedom to Farm, we gave them that sort of freedom to farm. They came up and got, I think it was, \$7 or \$8 billion last year. They are looking for another \$6 billion here. You know that is the crowd that looks to me, the textile Senator, saying: Free trade, free trade, free trade, the whole time they are drooling at those subsidies, those protective quotas, you know; looking at me like something is wrong, that I do not understand how to be nice in this world globalization.

So here we go. Since NAFTA alone, we have lost, in the United States, 440,000 textile and apparel jobs—440,000.

I know in South Carolina we have lost 37,000 textile and apparel jobs since NAFTA. This is from the Bureau of Labor Statistics. Remember, we were going to create 200,000 jobs with NAFTA. Oh, we were going to do every-

thing. We were going to solve the drug problem. We were going to solve the immigration problem. We were going to create jobs. And we have gone from a \$5 billion-plus balance of trade with Mexico to \$23 billion minus, a deficit in the balance of trade. The average Mexican worker has less take-home pay today than prior to NAFTA. It has not helped anybody, but they are talking now about NAFTA for Africa and NAFTA for the Caribbean.

I could get into that at length with respect to the disparity in tariffs, with respect to our own quotas. They are being phased out by 2004.

Let me go to the main thrust of my point this afternoon, and that is the importance of these middle-class jobs to the economy. I will never forget a seminar in Chicago in the early eighties with Akio Morita, the chairman of the board of Sony. He was lecturing about Third World countries, emerging countries. He said the Third World countries had to develop a strong manufacturing sector in order to become a nation state. Then, pointing to me, he said: And, by the way, Senator, the world power that loses its manufacturing capacity will cease to be a world power.

Was Morita making some original observation? Not at all. Alexander Hamilton made the same observation to the British in the early days of 1789. The British corresponded with the fledgling Colonies and said: Now that you won your freedom, you trade with us what you produce best, and we will trade back what we produce best—David Ricardo, the Doctrine of Comparative Advantage.

Mr. Alexander Hamilton wrote a booklet. It is at the Library of Congress, if someone on the Finance Committee wants to read it. In a word, Hamilton told the British: Bug off; we are not going to remain your colony; we are not going to export to you our agriculture, our foodstuffs, our cotton, grain, indigo, our timber and iron ore and import from the mother country the finished product; we are going to develop our own manufacture.

The second bill that ever passed with respect to the National Congress, in which I am privileged to serve, the second bill—the first bill was the Seal of the United States—the second bill, on July 4, 1789, was a tariff bill of 50 percent on 60 different articles. We started this economic giant, the United States of America, with protectionism.

Abraham Lincoln followed it in the building of the transcontinental railroad. They said: Mr. President, we can get the steel from England. He said: Not at all. We will build our own steel plants, and when we are through, we will not only have the railroad, we will have the steel capacity.

Roosevelt, in the darkest days of the Depression, passed import quotas on the subsidies for America's agriculture.

Dwight Eisenhower in 1955 put quotas on oil.

We have practiced, more or less, a protected trade policy—we have many

tariffs on many things still—while we have bleated: Free trade, free trade, free trade, and joined the chorus: I like fair trade; I like a level playing field.

Do not give me a level playing field. I want to trade to my advantage and my interests. Business is business, and the game is market share. The Japanese have set the tone, the practice, and the policy in the Pacific rim, and the Europeans are following.

Let's talk China. There is not a deficit in the balance of European countries. The European countries have a plus balance of trade with China. What do we have with this "free trade, free trade"? We have \$68 billion deficit and growing. That is not the most recent figure, but \$68 billion is the most authoritative figure I can give right now, and it is getting worse every day. They know how to trade and how to administer. We actually export about the same to Belgium and Singapore than we do to the 1,300,000,000 Chinese in the People's Republic of China.

Talk about exports, exports, exports, and the wonderful agreements—we will have plenty of time to get into those agreements. They want to continue that so we will not have even a touch of sobriety. Give us one chance at bat to sober America up because America is becoming very anxious and very concerned.

The Nation's strength of security is like a three-legged stool: We have the one leg, the values of the Nation, and that is unquestioned. The people the world around admire the United States of America. We have stood for years on end for individual rights, human rights, and democracy. I can talk on that because I am so proud of this country.

The second leg is the military, which is also unquestioned.

The third leg is the economic leg that has been fractured in the last 50 years and needs refurbishing, strengthening, and rebuilding. I say fractured, I emphasize intentionally fractured.

I heard the distinguished Senator from Iowa say, since 1945, look at the commerce, the commerce, the commerce. We were just like England in 1789. We had the only industry, the only production. In 1945, Europe was devastated and the Pacific rim was devastated. We were looking for customers. We were looking for buyers. We had production. Yes, we said free trade, free trade. Concurrent with that, we instituted the Marshall Plan and sent the money. We instituted along with that plan the machinery and the expertise. We sent it overseas in the contest between capitalism and communism, and it has worked. After 50 years, we can stand proudly and say it has worked. Capitalism has defeated communism. We are all proud of that and the sacrifice that went along with it, because in those days of 1945 we were willing to sacrifice. Today, we are not willing to sacrifice to save America itself—the middle class and the economic strength of our society.

What happens is we have been engaged in this for some time and, as a result, we have treated foreign trade as foreign aid. I think of Akio Morita and losing manufacturing capacity. In 1945, we had 41 percent of the workers in the United States engaged in manufacturing. In the year 2000, we are down to 14 percent.

In the nineties, in the United States, we have lost some 779,000 manufacturing jobs and in South Carolina, my State alone, some 40,500. The industrial strength is fast diminishing.

I look at the different things about textiles, but I look also at the ratios of imports to consumption and what we are going to manufacture for ourselves. Let's see.

As a young Governor, they looked at me at that hearing I told you about, at the very beginning, and said: Governor, what do you expect them to make? Let them make the shoes. Let them make the clothing. And we will make the airplanes and the computers.

My problem today is, they are making the shoes, they are making the clothing, and they are making the airplanes and the computers. And so it is.

Certain industrial thermal-processing equipment, 48.9 percent—almost half of what we consume is imported—67 percent of textile machinery and parts used in the United States we have to get from abroad; 55.3 percent of the machine tools for metal forming and parts; 51.9 percent of semiconductor manufacturing equipment and robotics—we import it.

I remember one good thing President Reagan did was to put in SEMATECH. He saved Intel microprocessing. Everybody is running around here falling over each other after that Silicon Valley money: high tech, high tech. We have somebody here from high tech. Bill Gates walks around convicted of violating the Sherman antitrust law but you would think he is a visiting potentate. All the little staffers and Senators streaming behind him as he goes through the Halls. And then I go to another policy meeting, and they announce we have another microprocessing, high tech, Silicon Valley.

Let's get right to the point. Microsoft has 20,000 employees in Seattle and Boeing of Seattle has approximately 75,000. They are in the manufacturing. General Motors has 250,000. Mind you me, they are not satisfied in high tech. They want to do away with the income tax, the capital gains tax, the estate tax. They want to do away with 200 years of State tort law—Y2K. They want to do away with the immigration laws because—why?—they can import the Indians and the Filipinos in here next to nothing.

Generally speaking, America Online has a service center now in the Philippines. Call them and ask them. My light bill in South Carolina is run through India. But high tech, high tech—they are all in a heat to see. Who is fooling whom. They are after the money. High tech is after the exemp-

tions. They do not want to pay their wage. So there you go.

Right to the point, why do you think that the march in Seattle—I am not talking about the crazies who came up there from Eugene, OR, and broke up the town; I am talking about the march in Seattle in December; the AFL-CIO, the responsible individuals—that march was led by Boeing machinists. Why? Read Bill Greider's book "One World, Ready or Not" and you will see that much of that Boeing 777, before it can be sold in downtown Shanghai, has to be made in downtown Shanghai. So they are taking the airplane jobs there.

Or pick up the morning paper and you will see the automobile jobs in China that are being taken from us. All the time I have to hear that nauseating chant: free trade, free trade. Yes, I am for free trade. All the interviewers. GE owns NBC. The president of GE, Jack Welch, told everybody to go down to Mexico: All you suppliers, you aren't going to be a GE supplier because I can get it cheaper. I will show you that article in "Business Week."

Let's go right down to boilers and turbines; 44.4 percent of what we consume has to be imported; electrical transformers, 43.2 percent; aircraft engines and gas turbines, 70.3 percent; motorcycles, 48.5 percent; aircraft, 45.7 percent—we used to have 100 percent of that business—office machines, 47.2 percent; microphones, loud speakers, audio amplifiers, and combinations thereof, 77.9 percent; tape recorders, tape players, video cassette recorders, turntables, compact disc players, 100 percent; radio transmission and reception, 57.9 percent of what we consume—used to be made by middle-class America; no longer—television apparatus, including cameras, camcorders, and cable apparatus, 68.5 percent.

I remember when Zenith had their case, and their competitors had been found in violation for dumping. And the International Trade Commission in a unique decision held for Zenith—because they usually cancel out the trade administration—but the trade commission exacted the penalty. And the last stop, of course, was in the White House, in the Oval Office, where the President had the authority to cancel it out.

The Cabinet all around the table, they all voted to enforce the decision of the International Trade Commission. And in walked President Reagan. He said: I just talked to Nakosone and we are not going to do that.

You see, yes, it has been wonderful. It has been fine. It has worked. We have peace in the world—whatever—and we have a booming economy. But in a booming economy, you have to look at the consummate, the concurrent effect here.

Electrical capacitors and resistors, 69.5 percent; automatic data processing machines, 51.6 percent.

I read this because colleagues in the Senate say: There he goes again on textiles. I have given up on textiles. I resign. I quit. When the ATMI tackles me from behind, and they leave out the people who have been getting the votes—the polls all taken—poor old Jay Mazur, poor Evy Dubrow, and the rest of them—and unit, and the others who have been working together—Seth Bodner, the knitwear folks, the apparel folks—I just have to say it is gone. This bill is passed.

But while it passes, we have to have a stop, look, and listen at the crossing and realize that 62.2 percent of clocks and timing devices that we use in America are now imported; watches, 100 percent—apparently we do not manufacture them anymore—drawing and mathematical calculating and measuring instruments, 71.4 percent; luggage, handbags, and flat goods, 79.7 percent; musical instruments and accessories, 57.2 percent; umbrellas, whips, riding crops, and canes, 81.1 percent; silverware, 59.9 percent. We can go to precious jewelry, which is 55.8 percent imported.

They have different clothing and all—sweaters, 76.4 percent; robes, nightwear, and underwear, 68.8 percent—right on down the list.

I ask unanimous consent to have printed in the RECORD this compilation of the import penetration of these articles.

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

*Ratios of imports to consumption*  
[In percent]

Certain industrial thermal-processing equipment and certain furnaces .....	48.9
Textile machinery and parts .....	67.0
Metal rolling mills and parts thereof .....	46.6
Machine tools for cutting metal and parts .....	48.1
Machine tools for metal forming and parts thereof .....	55.3
Semiconductor manufacturing equipment, robotics .....	51.9
Boilers, turbines, and related machinery .....	44.4
Electrical transformers, static converters, inductors .....	43.2
Molds and molding machinery .....	44.8
Aircraft engines and gas turbines .....	70.3
Automobiles, trucks, buses, and bodies and chassis of the foregoing .....	40.6
Motorcycles, mopeds, and parts .....	48.5
Aircraft, spacecraft, and related equipment .....	45.7
Office machines .....	47.2
Microphones, loudspeakers, audio amplifiers, and combinations thereof .....	77.9
Tape recorders, tape players, video cassette recorders, turntables, and compact disc players .....	100
Radio transmission and reception apparatus, and combinations thereof .....	57.9
Television apparatus, including cameras, camcorders, and cable apparatus .....	68.5
Electric sound and visual signaling apparatus .....	49.9
Electrical capacitors and resistors .....	69.5
Diodes, transistors, integrated circuits, and similar semiconductor solid-state devices .....	45.2

Electrical and electronic articles, apparatus, and parts not elsewhere provided for .....	49.1
Automatic data processing machines .....	51.6
Optical goods, including ophthalmic goods .....	51.5
Photographic cameras and equipment .....	63.8
Watches .....	100
Clocks and timing devices .....	62.2
Drawing and mathematical calculating and measuring instruments .....	71.4
Luggage, handbags, and flat goods .....	79.7
Musical instruments and accessories .....	57.2
Umbrellas, whips, riding crops, and canes .....	81.1
Silverware and certain other articles of precious metal .....	59.9
Precious jewelry and related articles .....	55.8
Men's and boys' suits and sportcoats .....	47.5
Men's and boys' coats and jackets .....	62.5
Men's and boys' trousers .....	50.4
Women's and girls' trousers .....	56.4
Shirts and blouses .....	62.9
Sweaters .....	76.4
Women's and girls' suits, skirts, and coats .....	59.0
Robes, nightwear, and underwear .....	68.8
Body-supporting garments .....	42.8
Neckwear, handkerchiefs, and scarves .....	46.7
Gloves, including gloves for sports .....	76.1
Headwear .....	54.1
Leather apparel and accessories .....	67.2
Fur apparel and other fur articles .....	81.7
Footwear and footwear parts .....	84.2

Mr. HOLLINGS. It has 84.2 percent on footwear. So 85 percent of the shoes on the floor here in the Senate Chamber are imported.

I ask unanimous consent to have printed in this particular list from the International Trades Commission.

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

*1998 Ratios of Imports to Consumption*  
[In percent]

Certain industrial thermal-processing equipment and certain furnaces .....	48.9
Textile machinery and parts .....	67.0
Metal rolling mills and parts thereof .....	46.6
Machine tools for cutting metal and parts .....	48.1
Machine tools for metal forming and parts thereof .....	55.3
Semiconductor manufacturing equipment and robotics .....	51.9
Boilers, turbines, and related machinery .....	44.4
Electrical transformers, static converters, and inductors .....	43.2
Molds and molding machinery .....	44.8
Aircraft engines and gas turbines .....	70.3
Automobiles, trucks, buses, and bodies and chassis of the foregoing .....	40.6
Motorcycles, mopeds, and parts .....	48.5
Aircraft, spacecraft, and related equipment .....	45.7
Office machines .....	47.2
Microphones, loudspeakers, audio amplifiers, and combinations thereof .....	77.9
Tape recorders, tape players, video cassette recorders, turntables, and compact disc players .....	100
Radio transmission and reception apparatus, and combinations thereof .....	57.9
Television apparatus, including cameras, camcorders, and cable apparatus .....	68.5
Electric sound and visual signaling apparatus .....	49.9
Electrical capacitors and resistors .....	69.5
Diodes, transistors, integrated circuits, and similar semiconductor solid-state devices .....	45.2

Electrical and electronic articles, apparatus, and parts not elsewhere provided for .....	49.1
Automatic data processing machines .....	51.6
Optical goods, including ophthalmic goods .....	51.5
Photographic cameras and equipment .....	63.8
Watches .....	100
Clocks and timing devices .....	62.2
Drawing and mathematical calculating and measuring instruments .....	71.4
Luggage, handbags, and flat goods .....	79.7
Musical instruments and accessories .....	57.2
Umbrellas, whips, riding crops, and canes .....	81.1
Silverware and certain other articles of precious metal .....	59.9
Precious jewelry and related articles .....	55.8
Men's and boys' suits and sportcoats .....	47.5
Men's and boys' coats and jackets .....	62.5
Men's and boys' trousers .....	50.4
Women's and girls' trousers .....	56.4
Shirts and blouses .....	62.9
Sweaters .....	76.4
Women's and girls' suits, skirts, and coats .....	59.0
Robes, nightwear, and underwear .....	68.8
Body-supporting garments .....	42.8
Neckwear, handkerchiefs, and scarves .....	46.7
Gloves, including gloves for sports .....	76.1
Headwear .....	54.1
Leather apparel and accessories .....	67.2
Fur apparel and other fur articles .....	81.7
Footwear and footwear parts .....	84.2

Mr. HOLLINGS. Mr. President, this is one little reading of the U.S. deficits in advanced technology because you know we have gone, they say, from manufacturing to high tech.

They told England at the end of World War II: Don't worry. Instead, of a nation of brawn, you are going to be a nation of brains. Instead of producing products, you will provide services. Service economy, service economy is the chant. And then, instead of creating wealth, you are going to handle it and be a financial center.

England has gone into an economic hand basket. They have a bunch of just scandal sheets—the newspapers and Parliamentarians—debating and shouting at each other. Downtown London is an amusement park.

Are we going that way, too? They have gone out of business there.

Here are some deficits in advanced technology products. Parts of the advanced machinery incorporated, \$18.23 billion; hard disc drive units, \$9.72 billion; parts of turbojet or turbo propeller engines, \$4.28 billion, Turbojet aircraft engines, \$3.74 billion deficit, balance of trade; parts for printers, \$3.52 billion; new turbo fan planes, non-military, \$3.23 billion; cellular radio telephones, \$3 billion; video cassette and cartridge recorders, \$3.32 billion, deficit; display units, \$1.64 billion; optical disc players, \$1.64 billion; camcorders, \$1.09 billion; digital still-image video cameras, \$1.07 billion.

Mr. President, rather than taking further time, I ask unanimous consent to have printed in the RECORD at this point the U.S. Trade in Advanced Technology Products showing the exports and imports and the balance thereof.

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

## U.S. TRADE IN ADVANCED TECHNOLOGY PRODUCTS: 1999

Commodity code and description: Advanced technology product		Exports	Imports	Balance
8473301000	PRTS OF ADP MCH, NOT INCRPRING CRT, PRT CRCT ASSEM .....	0	18,227,808,970	(18,227,808,970)
8471704065	HARD DISK DRIVE UNT, NESOI, W/OUT EXTNL POWR SUPLY .....	2,048,470,249	11,769,756,784	(9,721,286,535)
8473305000	PTS & ACCESSORIES OF MACH OF HEADING OF 8471, NESOI .....	0	7,743,829,608	(7,743,829,608)
8542138034	MONO IC, DIGITAL, MOS TRANS, DRAM, >15000000 BITS .....	0	4,980,391,722	(4,980,391,722)
8542138072	MONOLITHIC IC, DIGITAL, SILICON, (MOS), (ASIC), (PLA) .....	4,047,156,775	8,377,018,602	(4,329,861,827)
8411919080	PARTS OF TURBOJET OR TURBOPROPPELLER A/C ENGINES .....	0	4,277,502,862	(4,277,502,862)
8471300000	PORT DGTL ADP MACH, <10KG, AT LEAST CPU, KYBRD, DSPLY .....	1,143,297,273	5,321,724,547	(4,178,427,274)
8803300030	OTH PRTS OF AIRPLNS/HLCPTRS, NESOI, NT FR DOT OR USCG .....	0	4,013,300,583	(4,013,300,583)
8411124000	TURBOJET AIRCRAFT ENGINES, THRUST EXCEEDING 25 KN .....	0	3,736,640,634	(3,736,640,634)
8473303000	OTHER PARTS FOR PRINTERS, NO CATHODE RAY TUBE .....	0	3,523,211,984	(3,523,211,984)
8802300040	NEW TURBOFAN PLANES, NON-MILITARY, >4536 & ≤15000 KG .....	646,938,093	3,879,125,608	(3,232,187,515)
2934903000	OTHER HETEROCYCLIC COMPOUNDS USED AS DRUGS .....	0	3,029,957,678	(3,029,957,678)
8525209070	CELLULAR RADIOTELEPHONES FOR PCRS, 1 KG AND UNDER .....	0	3,020,465,433	(3,020,465,433)
3004909090	MEDICAMENTS NOT ELSEWHERE SPECIFIED OR INCLUDED .....	0	2,726,075,442	(2,726,075,442)
8471706000	STORAGE UNITS, NESOI, NOT ASSEMBLED IN CABINETS .....	511,587,342	3,211,010,776	(2,699,423,434)
8521106000	VIDEO CASSETTE & CARTRIDGE RECORDER/PLAYERS, COLOR .....	0	2,321,010,825	(2,321,010,825)
8517903800	PC ASSEMBLIES FOR TELEPHONIC APPARATUS, NESOI .....	0	1,728,565,731	(1,728,565,731)
8471604580	DISPLAY UNITS, NESOI, WITHOUT CRT .....	0	1,637,784,048	(1,637,784,048)
8519990045	OPTICAL DISC (INCLUDING COMPACT DISC) PLAYERS .....	0	1,637,445,266	(1,637,445,266)
8542138057	MONO IC, DIG, SIL, MOS, EXC VOL, (EEPROM) >900,000 BITS .....	0	1,591,589,716	(1,591,589,716)
8542138066	MONO IC, DIG, SIL, MOS (ASIC) & (PLA) MICROPROCS 8 BITS & < .....	266,700,462	1,505,423,883	(1,238,723,421)
9018908000	INST & APPLIANCES FOR MEDICAL, SURGICAL, ETC, NESOI .....	0	1,215,184,803	(1,215,184,803)
8525408050	CAMCORDERS (OTHER THAN 8 MM), NESOI .....	11,389,219	1,098,783,272	(1,087,394,053)
8525404000	DIGITAL STILL IMAGE VIDEO CAMERAS .....	21,952,736	1,089,597,336	(1,067,644,600)
8521900000	VIDEO RECORDING OR REPRODUCING APPARATUS EXC TAPE .....	135,001,223	1,087,156,818	(952,155,595)
8542138049	MONO, DIG, SIL, MOS, VOL, (SRAM) >3,000,000 BITS .....	0	933,400,512	(933,400,512)
8542300065	MONOLITHIC IC, OPERATING FREQUENCY <100 MHZ, ANALOG .....	1,284,391,376	2,181,812,559	(897,421,183)
8471603000	DISPLAY UNITS, W/O CRT, & DISPLAY DIAGNL ≤30.5 CM .....	191,417,160	1,012,102,430	(820,685,270)
8525408020	CAMCORDERS, 8MM .....	1,892,960	819,236,164	(817,343,204)
8803300060	OTHER PARTS, NESOI, OF MILITARY AIRPLANES/HELICOPTRS .....	0	774,171,267	(774,171,267)
8517903600	PC ASSEMB FOR TELEPHONE SWIT, TERM APPA O/T TEL SETS .....	0	751,187,201	(751,187,201)
8541290095	TRANSISTORS EXC PHOTOSENSITIVE IW & >, FREQ. <30MHG .....	0	744,022,549	(744,022,549)
2844200020	URANIUM FLUORIDE ENRICHED IN U235 .....	355,923,713	1,098,482,108	(742,558,395)
8471704035	FLOPPY DISK DRIVE UNT, NESOI, W/OUT EXTRNL POW SPY .....	58,034,583	772,594,136	(714,559,553)
2933394100	DRUGS CONT AN UNFUSED PYRIDINE RING ETC, NESOI .....	0	680,296,294	(680,296,294)
8517210000	FACSIMILE MACHINES .....	0	667,588,870	(667,588,870)
3818000090	OTHER CHEM ELEM DOPED, ELECTRON, DISCS WAFERS ETC .....	0	619,290,862	(619,290,862)
3002100090	OTHER BLOOD FRACTIONS NESOI .....	0	616,949,658	(616,949,658)
8542138067	MONO IC, DIG, SIL, MOS (ASIC) & (PLA) MICROPROCS 16 BITS .....	181,422,015	798,242,504	(616,820,489)
8517903200	PTS OF ART OF 8517.20, 8517.30, 8517.40.50, 8517.81 .....	0	602,626,375	(602,626,375)
8471608000	OPTICAL SCANNERS & MAGNETIC INK RECOGNITION DEVICE .....	375,128,897	965,817,115	(590,688,218)
8528124000	TV REC, COLOR, NON-HI DEF, PROJ TYP W/CATH-RAY TUBE .....	0	567,427,021	(567,427,021)
8542300090	MONOLITHIC IC, FREQ. <100 MHG (ANALOG/DIGITAL) NESOI .....	1,584,815,325	2,141,256,559	(556,441,234)
9010420000	STEP & REPEAT ALIGNER, PROJECTION OF CIRCUIT PATRN .....	49,534,168	594,935,912	(545,401,744)
8517505000	CARRIER-CURRENT LINE SYSTEM APPARATUS, TELEPHONIC .....	950,547,882	1,492,682,623	(542,134,741)
8517902400	PTS FR TELEPHONE SWITCH, TERMINAL APP INC PC ASSEMB .....	0	499,197,786	(499,197,786)
8471605100	LSR PRNTR UNITS W/CNTRL & PRT MCHNIMS, >20PGS/MIN .....	0	482,262,408	(482,262,408)
8525203025	RADIO TRANSCEIVERS, HAND-HELD, FREQ >400 MHZ .....	0	466,870,671	(466,870,671)
8534000020	PRINTED CIRCUITS OF PLASTIC/GLASS = ≥3 LAYERS, CNDT .....	586,324,029	980,378,544	(394,054,515)
8542138041	MONO IC, DIG, SIL, MOS, VOL (SRAM) 300,000 <3,000,000 BITS .....	0	369,673,484	(369,673,484)
8537109050	PANEL BOARDS & DISTRIBUTION BOARDS; ≤1,000 VOLTS .....	0	367,840,258	(367,840,258)
2933595300	OTHER AROM OR MOD-AROM DRUGS CONT A PYRIMID ETC .....	0	365,464,433	(365,464,433)
9001100085	OPT FIBER BUNDLE & CABLE EXC OF 8544 NOT PLASTIC .....	0	349,337,906	(349,337,906)
8471605200	OTH LASER PRINTER UNITS W/CNTRL & PRT MECHANISMS .....	0	337,358,804	(337,358,804)
8525203080	RADIO TRANSCEIVERS, EXC HANDHELD, 400 MHZ .....	0	334,664,064	(334,664,064)
8542138051	MONO, IC, DIG, SIL, MOS, EXC VOL (EEPROM) <80,000 BITS .....	0	331,577,991	(331,577,991)
8473309000	OTH PRTS OF ADP MACH AND UNITS INCORPORATING A CRT .....	0	331,471,302	(331,471,302)
8411114000	TURBOJET AIRCRAFT ENGINES, THRUST NOT EXCEED 25 KN .....	0	310,678,629	(310,678,629)
2922191800	OTHER AROMATIC AMINO-ALCOHOLS, ETC USED AS DRUGS, NE .....	0	309,072,789	(309,072,789)
8525309005	TELEVISION CAMERAS, NESOI, COLOR .....	0	302,374,597	(302,374,597)
2922502500	OTHER AROMATIC AMINO-ALCOHOL-PHENOL DRUGS .....	0	295,753,627	(295,753,627)
8517906400	PARTS OF TELEPHONIC APPARATUS, NESOI .....	0	294,249,762	(294,249,762)
8528121201	TV REC, NON-HI DEF, COL, SNGL PICT TUB N/O 34.29 CM .....	0	286,928,704	(286,928,704)
8542138060	MONO, IC, DIG, SIL, MOS, EX VOL, (EPROM) >900,000 BITS .....	0	274,086,910	(274,086,910)

Mr. HOLLINGS. Mr. President, we are worried. We have anxiety. There is fear in the land, Mr. President. The foreign holdings as a percent of the total publicly held debt—as we pay down the public debt, the foreign holdings are still at 40.3 percent, according to the Treasury Department. When you get these deficits, billions and billions—\$347 billion in the balance of trade—so many dollars out in foreign holdings, the dollar falls, the interest rates go up, the stock market goes down, and recession sets in. Who is talking about it? Everybody but us in public service. We are running around, “I’ve got class size,” “I’ve got a better class size.” “No, I’ve got charter schools.” “No, I got a better plan here on health care.” “No, your plan is no good.”

They are not talking about paying the bill so that we can keep the country and the economy booming. They are talking about little peripheral things over here—campaign finance and otherwise—not paying the bill and reestablishing confidence in America.

The number of workers, as I have said at the very beginning, quoting Morita, is down to 14 percent in manu-

facturing. I will read an excerpt from Mr. Eamon Fingleton, Mr. President, entitled “The Unmaking of Americans.” I want everyone to listen because we have books by professors at Harvard and out at Berkeley in California and Stephen Cohen and John Zysman who have written “Manufacturing Matters.” They are trying to wake up a dormant Finance Committee that seems not to understand anything about trade, who really think this is a good bill. I am embarrassed for them because this is not going to just put out some 74,700 apparel workers up in New York, but at least 18,500 that I have in South Carolina and, ultimately the textile industry—as soon as they can afford the machinery and get it in down in Mexico and these other places. I will never forget 10 years ago when we debated textiles. Macao had millions and millions of dozens of shirts and didn’t have a shirt factory. China was transshipping them through Macao. So now China takes this sub-Sahara bill that will make a few people rich, but not the African countries or the African people, just as those shirts didn’t make Macao any richer. China

will transship right on through sub-Sahara Africa and, in the process, get rid of the American apparel workers and, before long, the textile workers.

Let’s quote Mr. Fingleton here as to the importance of manufacturing and you will get a better grasp of this:

In recent decades, it has become increasingly fashionable for American opinion leaders to belittle the economic importance of manufacturing. If we are to believe such prophets of the New Economy as commentator Michael Rothchild and Megatrends author, John Naisbitt, manufacturing is now a distinctly second-rate activity that should take a backseat to post-industrial businesses like software writing and moviemaking. Their opinions are increasingly endorsed by pundits in everything from the Wall Street Journal to Wired.

It is time this view was challenged. The truth is, it is a highly dangerous myth that is rapidly weakening the United States’ ability to lead the world economy. Not only do those who advocate post-industrialism—let’s call them post-industrialists—overestimate the prospects for information-based products and services, they greatly underestimate the prospects for manufacturing.

When the post-industrialists talk about manufacturing, it is clear they are referring mainly to such unsophisticated activities as the snap-together assembly work carried out

in the television-set factories of the developing world. By implicitly defining manufacturing in such disparaging terms, they set up a straw man—for there is no question that, in an increasingly integrated world economy, most types of assembly work are so labor intensive that they can no longer be conducted profitably in high-wage nations like the United States. Overlooked by the post-industrialists, however, is the fact that assembly is only the final stage in the production of modern consumer goods. Earlier stages are typically much more sophisticated—the making of advanced components such as laser diodes, liquid crystal displays, lithium-ion batteries and flash memories, for example. Then there is the production of the high-tech materials that go into such components. Semiconductor-grade silicon manufacturing, for instance, is concentrated mainly in such high-wage nations as Japan and Germany.

We have a \$74 billion deficit in the balance of trade with Japan, Mr. President. I think it is \$28 billion deficit with Germany.

And still more sophisticated than the fabrication of such components and materials is the manufacture of the production machinery used in the process. Perhaps the iconic example of such machinery is the stepper—the highly precise lithographic device that prints circuit lines on silicon chips.

Manufacturing components, materials and production machinery is generally both know-how-intensive and capital intensive. As such it can be conducted effectively only in the world's richest and most advanced economies—and workers engaged in such work are thereby shielded from low-wage competition from developing nations. The United States once dominated this type of production, but these days, as is abundantly clear from the nation's mounting trade deficits with Japan and Germany, it is at best an also ran. In steppers, for instance, GCA, the once world-beating American player, closed its doors in 1993, leaving the field almost entirely to Japan's Nikon and Canon and Europe's ASM. In high-tech materials, the United States is now similarly dependent on imports. And in crucial new components such as laser diodes and liquid crystal displays, the country was never a contender in the first place.

I remember the gulf war and the flat-panel displays we got from Japan for our defense work.

It is really discouraging to this particular Senator when we mark up the defense appropriations bill. We have in there a Buy-America provision trying to maintain steel ball bearings for Ohio and South Carolina because Timken and others produce them. They do an outstanding job. But we have those who put in an amendment to strike that out—that it is un-American and all.

I don't know where they got this idea about what America is—that we are supposed to meet a referee in bankruptcy, dissolve the assets, and send it around to the Caribbean, to sub-Saharan, and everything else on the premise that it is good policy for us to sometime come to the help of these particular countries. It would be good if it were not destroying us in the making.

Manufacturing's most obvious advantage is that it creates an excellent range of jobs. Whereas post-industrial businesses like soft-

ware and financial services tend to recruit mainly from the cream of the intellectual crop, manufacturing harnesses the skills of everyone from ordinary factory hands to the most brilliant scientists and the most capable managers. In fact, as the late Bennett Harrison of New York's New School (a longtime TR columnist) pointed out in his book *Lean and Mean* in 1997, unskilled workers "barely off the farm" can readily be trained to operate computer-controlled presses and similarly sophisticated production machinery. In Harrison's terms, today's high-tech production machinery is not "skill-demanding" but "skill-enabling."

Let's emphasize that. It is "skill-enabling," because the Senator from South Carolina is a witness. We brought in BMW, the automobile manufacturer, from Munich, Germany. It is in Spartanburg. It has 2,000 employees, and it will have this time next year hopefully 1,000 more. They were supposed to get another facility down in Mexico. They learned. They said: Wait a minute. The productivity of these people just off the farm, and otherwise skilled workers, can produce, and they have been producing.

Mr. President, I ask unanimous consent that the article in its entirety be printed in the RECORD.

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

#### THE UNMAKING OF AMERICANS

(By Eamon Fingleton)

In recent decades it has become increasingly fashionable for American opinion leaders to belittle the economic importance of manufacturing. If we are to believe such prophets of the New Economy as commentator Michael Rothschild and Megatrends author John Naisbitt, manufacturing is now a distinctly second-rate activity that should take a backseat to post-industrial businesses like software writing and moviemaking. Their opinions are increasingly endorsed by pundits in everything from the Wall Street journal to *Wired*.

It is time this view was challenged. The truth is, it is a highly dangerous myth that is rapidly weakening the United States' ability to lead the world economy. Not only do those who advocate postindustrialism—let's call them postindustrialists—overestimate the prospects for information-based products and services, they greatly underestimate the prospect for manufacturing.

When the post-industrialists talk about manufacturing, it is clear they are referring mainly to such unsophisticated activities as the snap-together assembly work carried out in the television-set factories of the developing world. By implicitly defining manufacturing in such disparaging terms, they set up a straw man—for there is no question that, in an increasingly integrated world economy, most types of assembly work are so labor-intensive that they can no longer be conducted profitably in high-wage nations like the United States. Overlooked by the post-industrialists, however, is the fact that assembly is only the final stage in the production of modern consumer goods. Earlier stages are typically much more sophisticated—the making of advanced components such as laser diodes, liquid crystal displays, lithium-ion batteries and flash memories, for example. Then there is the production of the high-tech materials that go into such components. Semiconductor-grade silicon manufacturing, for instance, is concentrated mainly in such high-wage nations as Japan and Ger-

many. And still more sophisticated than the fabrication of such components and materials is the manufacture of the production machinery used in the process. Perhaps the iconic example of such machinery is the stepper—the highly precise lithographic device that prints circuit lines on silicon chips.

Manufacturing components, materials and production machinery is generally both know-how-intensive and capital-intensive. As such it can be conducted effectively only in the world's richest and most advanced economies—and workers engaged in such work are thereby shielded from low-wage competition from developing nations. The United States once dominated this type of production, but these days, as is abundantly clear from the nation's mounting trade deficits with Japan and Germany, it is at best an also ran. In steppers, for instance, GCA, the once world-beating American player, closed its doors in 1993, leaving the field almost entirely to Japan's Nikon and Canon and Europe's ASM. In high-tech materials, the United States is now similarly dependent on imports. And in crucial new components such as laser diodes and liquid crystal displays, the country was never a contender in the first place.

Why does all this matter? Because, conventional wisdom to the contrary, advanced manufacturing offers fundamental advantages over post-industrial services in building a rich and powerful economy.

Manufacturing's most obvious advantage is that it creates an excellent range of jobs. Whereas post-industrial businesses like software and financial services tend to recruit mainly from the cream of the intellectual crop, manufacturing harnesses the skills of everyone from ordinary factory hands to the most brilliant scientists and the most capable managers. In fact, as the late Bennett Harrison of New York's New School (a longtime TR columnist) pointed out in his book *Lean and Mean* in 1997, unskilled workers "barely off the farm" can readily be trained to operate computer-controlled presses and similarly sophisticated production machinery. In Harrison's terms, today's high-tech production machinery is not "skill-demanding" but "skill-enabling."

Manufacturers also score over information businesses in their export prowess. That's because, for one thing, manufacturers usually avoid the piracy problems that so drastically reduce American information businesses' receipts from abroad. Moreover, manufactured goods are generally universal in application and, as such, contrast sharply with information-based products, which are in most cases quite culture-specific. Whereas a typical information product may have to be adapted for different languages and customs in different markets around the world, a typical manufactured product requires little if any adaptation. In many cases, information businesses don't find it worthwhile to adapt their products for foreign markets, and even where they do, they tend to have the adaption done abroad, thus generating costs that cut deeply into the net revenues remitted to the United States.

A third key advantage of advanced manufacturing—the most important of all—is that it delivers higher incomes. Not only does the large amount of capital required for the enterprise offer workers protection against competition from cheap labor, it can also powerfully boost worker productivity. A good example is the contribution that expensive robots make in enabling Japanese auto workers to achieve the world's highest productivity levels. Higher productivity in turn is, of course, the royal road to higher wages.

Indeed, nearly two decades after the United States began its fateful drift into full-scale post-industrialism, international

economic comparisons consistently show that Americans have lagged in income growth in the interim. The result is that, as measured at recent market exchange rates, the United States has now been overtaken in absolute wage levels by at least four manufacturing-oriented nations—Denmark, Sweden, Germany and, perhaps most surprisingly of all, Japan, the supposed “basket case” economy of the 1990s.

And if capital intensity is not enough to boost and protect wages, advanced manufacturing's requirement for proprietary production know-how given many industry incumbents a critical advantage. Take a product like a notebook computer's flat-screen liquid crystal display. LCDs are basically an adaptation of semiconductor technology, and are manufactured using similar equipment. Thus in theory many computer companies around the world could enter this fast-growing business. But in practice few have done so, with the result that the world market is utterly dominated by a handful of Japanese manufacturers—Tokyo-based Sharp alone enjoys a world market share of close to 50 percent. Why such market concentration? The key is yield, the percentage of flaw-free products in each production batch. Given that even a microscopic speck of dust can render the tiny transistors that control each dot on a screen dysfunctional, the quality-control challenge is enormous. A new entrant to the industry would probably be lucky to get a 10 percent yield of good Screens, whereas established Japanese firms are believed to achieve yields of 90 percent or more.

All in all, America's failure in the past two decades to take full advantage of manufacturing's numerous rewards is alarmingly apparent in the nation's deteriorating trade figures. The U.S. trade deficit in 1999 is likely to exceed \$250 billion—an all-time record and an increase of about 50 percent on the startling \$168.6 billion incurred in 1998. It would be an exaggeration to say that the nation's manufacturing decline is the sole cause of the worsening trade trend, but it is clearly one of the most important contributing factors.

And what is really worrying about these deficits is that they are to a large extent incurred with nations like Japan and Germany, where wages run 20 percent to 40 percent higher than American levels. Other things being equal, when a lower-wage country imports a product from a higher-wage one, we can reasonably assume that the manufacturing technology concerned is one in which the importing country is lacking. Much of what American corporations import from higher-wage nations consists of components “outsourced” from foreign rivals. The U.S. firms got used to the practice in the 1970s and early 1980s when Japanese and German wages were still low by U.S. standards, and outsourcing components could be justified on the theory that it freed American workers to specialize in higher-level work. These days, however, American corporations that outsource to Japan or Germany are effectively admitting they lag in the technology race.

So what should the United States do to regain dominance in manufacturing? First, consider one of the key reasons for the country's loss of its leadership position: other nations' industrial policies, which almost always contain a strong element of explicit or implicit protection for home industries. The classic example is United States-Japan competition in electronics. While U.S. electronics manufacturers such as RCA and Zenith were largely barred from selling in the Japanese market, their Japanese competitors were welcomed with open arms in the American market—the inevitable result was that the Americans found it increasingly unprofitable to invest for the long term.

Though the party line these days is that such protectionism has largely been eliminated in key foreign markets, the reality is that other nations maintain industrial policies that put U.S. manufacturers at a disadvantage. For American decisionmakers this creates an acute dilemma and a particularly distressing one for today's 50-something power holders, who in their youth espoused the soaring hope that the world could be taught to sing in perfect harmony. If they cling to the idealistic One-Worldism of the Flower Power era, they will continue to advocate free trade—and in the process will condemn the American manufacturing sector to, at best, permanent underdog status. The alternative is to slam the brakes on globalism and go back to the sort of modest but sufficient tariff levels that prevailed in the Eisenhower years. Such a move would certainly raise screams from devotees of that ultimate pseudo-science *laissez-faire* economics. But in the absence of convincing alternatives (and in particular of a real commitment to free trade on the part of America's competitors), it must have a place on the agenda.

Mr. HOLLINGS. Mr. President, we need to remember we are not only going to lose 74,700 apparel jobs in New York but in apparel manufacturing throughout the United States.

I want to go to the morning paper because they had a big conclave over at the White House. It says, “Political Heavyweights Pull for Agreement with China.” They have Vice President GORE and former President CARTER. But they also have the former Secretary of State, Henry Kissinger.

Quoting from this morning's Los Angeles Times:

Clinton asked rhetorically, “Why are we having this debate?” His answer: Because people are anxiety ridden about the forces of globalization, or they are frustrated over the human rights record of China, or they don't like all the procedures of the WTO. President Clinton's answer to “Why are we having this debate?”—“Because people are anxiety ridden about the forces of globalization.”

The legacy of President Franklin Delano Roosevelt—I will have to talk about a proud Democrat. I hope the distinguished Ranking Member doesn't mind me doing that. I think in time I might get him to join. I watched his votes, and he is very sensitive to the needs of little people. The great legacy of Franklin Delano Roosevelt is: “All we have to fear is fear itself.”

I can hear him now. We had a little headset in 1933. That is before daddy went broke. He had a flourishing business. Amongst other things, he printed and delivered paper bags. But he printed the names of the German grocery stores all around Charleston: Hoffmeyer, Meyers, Hochwanger, Heiselmeier, Fahler, Reumeyers—I can see them all now. They called my father and said: Bubba, no use sending those bags to people who are not paying the grocery bill, and we can't pay you for the bags. He said: Well, got your name on them. I can't use them otherwise. Just do what you can. I am sending them around.

But we had at that time in 1933 a headset. I can hear President Roosevelt.

I had the pleasure of seeing him as a youngster in 1936 when he came through Charleston and boarded the ship. He came by train from Washington to Charleston, boarded the cruiser, and went on down to Buenos Aires, Argentina. I was looking up at President Roosevelt.

Later, of course, when I was a senior cadet at the Citadel, ready to go off into the invasion of North Africa, I could hear him in 1941 about the “four freedoms.” He said the four freedoms are the freedom of religion, the freedom of speech, the freedom from want, and the freedom, Mr. President, from fear. That was the legacy. That was the legacy of the greatest President of our time.

Now what is our legacy? I can tell you. You do not have to get politician HOLLINGS or get the business leadership.

What is the business leadership?

“Backlash: Behind the Anxiety Over Globalization.”

The legacy of President Clinton is a legacy of fear. This crowd had better wake up and understand it because we are going out of business.

The President just last week was down in Charlotte talking about the digital divide, the digital divide, middle America.

How in the world can they buy a computer? Not the poor; middle America can't afford that. They are trying to hold onto a job. They are trying to pay for the house upkeep. They are trying to buy the clothes. And they are doing pretty good. But they look at those 37,000 from South Carolina who are gone, gone.

Washington is telling all of middle America that they never had it so good. We got a boom. Let's get the boom going. They see these jobs going, and they see all of our good friends, the immigrants, with fine business earnings coming in and taking a lot of the jobs. They see plant closings in Columbia. That is the way it is factored in.

I always loved to go to Ireland. But in Ireland, they have a booming business taking care of all the banking and insurance accounts and everything else.

What do we do? We got rid of what Henry Ford created, and that is the middle class. Ford said, in the early days, I want to make sure that the individual producing this automobile is making enough money to buy it. That, along with the labor movement in America, got health care, retirement benefits, and everything elsewhere which they could pay for—not only pay for their home but send their kid to college, maybe get a little home at the beach or in the mountains, buy a boat to put out in the lake and go fishing, something for retirement.

They talk about Social Security. I see that fellow, Morris, is telling Bush: Don't try to talk about. Don't touch Social Security. Why? Because it is super-sensitive because of fear—the legacy of the Clinton administration. He

has no idea about the digital divide and no idea about trade. That boy from Arkansas has gone up there and seen the bright lights in New York. He has left us. I can tell you right now, he is not looking out for middle America.

"The best political community is formed by citizens of the middle class," said Aristotle in 315 B.C.

It is to the middle class we must look for the safety of England, says Thackeray.

In England, what we call the middle class is in America virtually the Nation.

In the 1880s, Matthew Arnold: "The upper class is our nation's past, the middle class is its future."

I don't know about a future. That is what is worrying the Senator from South Carolina—not the textile jobs. They are gone. They are leaving them fast, including one closed just last week. The best of operators are closing.

I can see it, and I know what is going to happen to the textile manufacturer. It will be totally gone. As soon as they can afford the machinery in Mexico and the Caribbean, they will print the cloth and these fellows will take their money and run. That is what you have in ATMI. That is why I warn everyone, we are not just getting rid of the textile jobs.

I said at the beginning we learned in the artillery, no matter how well the aim, if the recoil is going to kill the gun crew, don't fire.

You got a good aim, no question. Let's do something for the Caribbean. Let's do something for Africa. But on this score, where two-thirds of the clothing is already imported, let's not kill off the apparel industry. There are 74,700 jobs in New York, 18,500 in South Carolina, 146,900 in California. We will have a candidate saying: Boom, boom, boom, wonderful economy.

This is what he ought to be talking about. We have to rebuild the economic strength of this Nation. That is not going to happen at the present rate. This conference report ought to be sent back to the conferees and we ought to put in a competitive trade policy.

I had a bill with the Finance Committee 15 years ago. I have talked to the distinguished chairman not only about a value-added tax to pay the bill but I have talked about a correlation and coordination. There are 28 Departments and Agencies in trade. When we think that Commerce has it, they say no; in Agriculture, that is a farm product, and they say, no, the final say is over at Treasury Department. Why? Because 40.3 percent is foreign owned, foreign holdings, a percent of total of the privately-held public debt. Talk about paying down the public debt; foreign holdings as a percent is already up to 40.3 percent. When we are ready to enforce a dumping provision against Japan, they say: We are not going to buy your T-bills. And Treasury calls up and says that hearing was good. The tail is wagging the dog and corporations.

Senator MOYNIHAN, as a freshman at City College of New York, said that they taught him corporations run America. They have preempted trade policy. We representatives, Senators and Congressmen, don't have any say. It is fixed with the White House. The corporations come around and fix the vote. By the time they call, nobody is on the floor and they couldn't care less. Let them puff and blow, the middle class be gone, the textile industry be gone, they are all Republican anyway. Now the apparel workers, the owners—the apparel workers are Democrat, anyway, so they would just as soon get rid of them. We will lose 26,000 apparel workers in Alabama, 19,700 in Florida, 26,100 in Georgia, 18,900 in Kentucky, 2,600 in Maine, 10,400 in Massachusetts, Mississippi loses 16,600, New York loses 74,700, North Carolina loses 38,300.

Imagine the President in Charlotte, NC, last week talking about the digital divide, and middle America is about to lose another 38,000 jobs in and about Charlotte—can't even buy a computer, and he doesn't understand it. He doesn't understand his legacy of fear. Roosevelt has freedom from fear as his legacy. What we have is a legacy of fear. It not that we are not sophisticated and understand globalization. We understand making a living and paying our bills and working hard to do it. Even though you work hard, they tell you: Globalization. Be gone. You, the most productive textile worker in the world, be gone, because you don't understand globalization, competition, competition, productivity.

The most productive industrial worker in the world is in the United States. Right now, the record shows Japan to be No. 8; Netherlands is No. 2; Germany is No. 3.

The Japanese pay way more in wages. It isn't low wages. They have a specific policy. That Lexus automobile you buy for \$30,000 in Washington, DC, is sold for \$40,000 in downtown Tokyo. They make up the \$10,000 on their own domestic economy and got it through the financing, and the people accept that. They are taking over more and more and more. The distinguished Senator is a foreign policy and an expert, and he knows better than any that money talks. Forget about the Sixth Fleet, forget about the hydrogen bomb. Money talks now.

We have been on a binge in the 1990s, but financially we are going out of business. The market is showing it right this afternoon while I am talking. You can talk to anybody in the trucking business. It is closing in, and people are beginning to hunker down.

When I started my remarks, I related when the distinguished Senator was in the Kennedy administration, we put in a 7-point textile program because 10 percent of America's consumption of textiles and clothing was going to be represented in imports. Now we have two-thirds. We are ready to get rid of the other third overnight, and we think

we are proud of it; we are doing a good job.

It is a well considered thing with respect to Africa, the Caribbean, to help them find business. We believe in it. However, we have given at the store. Now is the time to save the home. Now is the time to save middle America. Now is the time to eliminate the fear by instituting a competitive trade policy.

I yield the floor.

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

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

The legislative clerk proceeded to call the roll.

Mr. DODD. 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. DODD. Mr. President, at the outset of these remarks let me commend the distinguished Senator from New York, my good friend and colleague, along with the chairman of the trade subcommittee and others who make up the membership of the Finance Committee, for their leadership on this issue. It has been a long time since this body has dealt with a trade issue as significant, in my view, as the matter before us. That is not because of the volume of trade or the size or magnitude of the financial transactions which will ensue as a result of our adoption of this agreement, but because, in my view, it sends a far more important signal to some of the very poor, if not the poorest, areas of this globe, that the wealthiest nation of the world at the beginning of the 21st century recognizes that we bear some responsibility for trying to alleviate some of the devastating hardship that afflicts too many millions of people around this Earth.

This agreement that deals with the sub-Saharan African nations and the Caribbean Basin is an important first step in this century to take meaningful steps to alleviate some of the devastating human hardships that affect too many innocent people.

I am proud to associate myself with this proposal. I urge the adoption of it by what I hope will be an overwhelming vote of this body so, as we begin this new century, we say to future generations who will sit in the chairs we now hold in this body that the 21st century is a century where the free flow of goods and services across the Earth is something that ought to be a central ingredient for economic success in improving the human condition.

Passage of this legislation, in my view, comes at a very critical time for the future economic success of the regions that are covered by this legislation, the sub-Saharan African region and the Caribbean nations.

One has only to pick up the paper to read of the crippling effects of poverty, famine, and illness that have taken



hold in Africa and the devastating impact natural disasters, such as Hurricanes Georges and Mitch, have had on the economies of Caribbean nations. This legislation will give these nations the opportunity—just the opportunity—to begin recovering and to help them establish a foothold in our increasingly interconnected global marketplace.

At the same time, this bill equally recognizes the importance of protecting American interests and American jobs by including a number of very specific safeguards aimed at ensuring the viability and success of our domestic producers. Overall, I believe the committee has presented the Senate with a very balanced trade package.

The central focus of this legislation is the provisions relating to the 48 desperately poor countries of the sub-Saharan African region. This region of the world has continuously been disregarded as a serious trading partner. While we have granted trade benefits to other areas of the world, including Mexico and Canada, Africa has never been afforded a similar opportunity—never. I believe the African Growth and Opportunity Act will significantly alter our trade relationship with Africa, while also providing these countries with the beginnings of the means for positive and substantial economic reform.

I will take this opportunity to address some of the highlights of this legislation.

First, the legislation provides duty and quota-free access to U.S. markets for certain textiles and apparel. This provision should not adversely affect the domestic apparel industry since African exports of these products—and listen to this carefully—account for less than 1 percent of our total imports.

We are opening our door to 48 nations in the poorest region of the world for something that amounts to less than 1 percent coming into our Nation. That is why I said at the outset of these remarks that it is not the magnitude of the trading relationship that will happen or the dollar amount that will exchange hands, but for the first time we will recognize this part of the world as an important part of the world, and one that needs our help.

There is not enough money in the appropriations bucket to draw upon to provide the kind of relief these people need in these 48 nations. We cannot do that, but we can begin to give them the opportunity of access to a tiny percentage of our market, and offer some hope and relief to millions of people.

We should not do it without regard to the interests of our own people. I listened carefully to the remarks of my good friend and colleague from South Carolina. He speaks with great passion about the people he represents in his State. There are thousands of others across this country who earn a living every day in the apparel and textile industry. None of us ought to disregard

their interests. Our responsibility, first and foremost, must be to our own people.

In this piece of legislation, we protect American workers. In a few short years, if we fail to adopt the measure before us, the quotas that are presently allowed in trade bills with the Pacific Rim countries will come to an end. Once that has come to an end, the markets will open up and a domestic content requirement will not be necessary. Literally thousands of jobs that today find a home in the textile and apparel industry in this country could be lost forever.

One of the things I admire about the authors of this bill is—and they truly deserve our commendation—the fact that not only have they found a way to provide some meaningful economic opportunity for millions of people in some of the poorest parts of the world, if not the poorest, but they have also done so in a way that takes into consideration the needs of our own people. It is a well-balanced piece of legislation. I strongly support their efforts.

To address the serious problem of transshipment of apparel products, this legislation also establishes strict provisions to curb the practice of transshipment of products from one place to another. Beneficiary countries must adopt a visa system to guard against illegal transshipment and the use of counterfeit documents.

In addition, countries are also required to enact regulations that would allow the U.S. Customs Service to investigate alleged cases of transshipment. To that end, almost \$6 million has been authorized to assist the Customs Service in these efforts and to provide technical assistance to African nations which will help them combat transshipment. Furthermore, if a country is found to be engaging in illegal transshipping activities, it may be denied benefits for up to 5 years, a significant penalty. I again commend the authors for the inclusion of that provision.

In the event the U.S. apparel industry suffers economic injury or a threat of economic injury due to a surge in imports, a so-called “snap-back” provision has been included in this bill that would set duties back to their non-preferential levels. The President of the United States has been granted authority to monitor African imports, and he has the right to initiate investigations to determine whether imports are harmful to domestic producers.

Second, the bill enhances the 1984 Caribbean Basin Initiative by promoting economic growth in this region. Like the benefits accorded the sub-Saharan African nations, the enhanced Caribbean Basin Initiative will grant duty and quota-free treatment to apparel and textiles made from U.S. yarn and fabric. Benefits have also been extended to products not currently included under the Caribbean Basin Initiative, including footwear, tuna, and watches.

Strict transshipment provisions also apply to these CBI nations. The legislation similarly calls on these nations to institute effective Customs programs to prevent illegal transshipment. Moreover, it establishes a “one strike and you’re out” provision. Should an exporter be found to have illegally transshipped apparel or textiles from a Caribbean Basin Initiative nation into the United States, the President has the authority to deny benefits to that exporter for up to 2 years and who may be required to remit payment totaling three times the existing textile and apparel quotas.

I cite the details of this because it is important our colleagues understand that the authors have been very careful to write into this legislation provisions that will guard against the very things of which the bill is being accused.

Is it perfect? Will there be those who may try to take advantage of this? I am certain there will be, but the overall benefits of this legislation with the provisions to guard against illegal activities certainly warrant support of this bill, given the good and beneficial provisions included in it that should provide the relief I mentioned earlier.

I am pleased the conference report includes language that links trade benefits to countries’ commitment to eliminating one of the worst forms of child labor. We can thank our colleague from Iowa, Senator HARKIN, who cares deeply about this issue and helped write, I gather, some of the provisions dealing with it. The bill also bans imports of products made with forced or indentured child labor.

This morning, President Clinton issued an Executive order that adds a provision that was dropped in conference making AIDS and HIV drugs more readily available to African nations whose people have been so ravaged by this deadly disease.

I note the presence of our colleague from the State of Wisconsin who has spoken eloquently about the issue of AIDS and the importance of trying to do more to alleviate the overwhelming problems that have crippled literally millions of people in many of these nations.

This is not to say this is a perfect conference report, as I said earlier, and I am disappointed the conferees did not include funding for similar trade preferences to the nation of Colombia. My good friend and colleague from New York heard me talk about this. I believe I overextended my friendship with him by calling on numerous occasions to see whether or not we could include Colombia as part of this package.

I note my colleague from Florida, as well, who spent countless hours to find ways to provide some meaningful alternative economic opportunities for the people of Colombia who today are presently engaged, in far too many cases, in the growth and production of narcotics products. Unfortunately, they end up, too often, in the cities of our Nation, where drugs and narcotic trafficking is a huge problem. My hope

was, by including Colombia, in addition to the other provisions that will soon be debated in the Senate, we would have been able to provide a meaningful economic alternative for these people who today engage in the drug production and trafficking in that country. My hope is, in the near future, we will move to the Andean agreements which are up for reauthorization and that Colombia can be included, along with her neighboring countries.

This legislation is about helping countries help themselves by strengthening their economies. It is increasingly difficult to find funds even for the most worthy of aid initiatives. Trade, not aid, has been the answer to a country's well-being.

While industrialized nations of the world have benefited from U.S. trading policies, it is time we offer less fortunate nations of the Caribbean and sub-Saharan Africa comparable opportunities.

In the year 2005, pursuant to the GATT rule, all WTO member countries will gain quota-free access to our markets—quota-free access in 5 years. CBI enhancement and the African Growth and Opportunity Act, if enacted, will allow countries in those regions to better prepare for that day and to equip them to become full trading partners in the global economy during the next decade.

If we do not do it and we have the quota-free access to our markets, then I do not think anything we can do 5 years from now will provide any relief economically whatsoever for the 48 nations of the sub-Saharan region and the more than two dozen nations in the Caribbean Basin that will benefit as a result of this legislation.

So, again, I commend Senator ROTH, who is not here with us today—but we certainly think of him and recognize his leadership on this issue—and, as I said, Senator MOYNIHAN, who will more than likely be dealing with one or two of the last trade bills of his tenure in the Senate. But it is worthy of him, in the waning days of his career here, that he would fight as hard as he has to see to it this legislation would have a full hearing, debate, and an opportunity for passage in the Senate.

Lastly, may I say, again, we are a great and wonderful nation. We like to think of ourselves as a generous and good people. While I said a moment ago that it is far more important that we consider the impact of anything we do on our own people, it is, I think, in the hearts and spirits of all Americans that we try to reach out and help others.

I had the wonderful privilege of serving as a Peace Corps volunteer back in the 1960s when I graduated from college. It was a seminal event in my life—a life-changing experience, to learn from a distance, in a way, how our country was thought of. Despite the difficulties of the day that raged in Southeast Asia, and our own difficulties here at home, we were thought of, in the nation that I served in, as a good people, a giving people.

As we begin this century, as I mentioned earlier—the 21st century—we have an opportunity, with this bill, to say to millions of people, the most desperately poor people in the world, that this, the greatest nation of all, is willing to extend a hand, a helping hand. We must help them to get on their feet, to provide the kinds of tools that will make it possible for them to achieve economic opportunity, to enhance the cause of democracy in these nations, which can never survive in the absence of some economic growth and opportunity. With this legislation we are doing ourselves and future generations, in this Nation and around the world, a great favor, indeed.

I commend the authors of the bill. I strongly support its adoption and hope this small but meaningful effort will begin to make a difference in the lives of millions of people in Africa and in the Caribbean Basin.

I yield the floor.

• Mr. ROTH. Mr. President, I want to express my strong support for the conference agreement on H.R. 434, the Trade and Development Act of 2000. Senate passage of the conference agreement would mark the first significant trade legislation to pass both Houses of Congress in close to a decade, other than the implementation of trade agreements under special fast track procedures. As such, the bill represents a powerful statement regarding America's leadership on trade.

The conference agreement—and the House's 309-110 vote—vindicates the approach that we took in the Finance Committee and here in the Senate this past November. Our goal was to create a "win-win" approach to the Africa and Caribbean trade preference programs that would ensure benefits to American firms and workers as well as to our trading partners in those two regions. The conference report does just that.

The conference report retains those provisions of the bill that the textile industry's own analysis suggested would produce an additional \$8 billion in sales of American fiber and fabric and create an additional 120,000 jobs. Those provisions—commonly known as "807A" and "809"—were adopted without revision by the conferees. Those provisions require that all textile components assembled into apparel articles benefiting from those provisions must be made from U.S. fabric, unless subject to certain de minimis exceptions specified in the conference agreement.

Where the conference agreement broadens the benefits available to our trading partners beyond those included in the Senate-passed legislation, the provisions create discrete categories of apparel that may benefit from the use of regionally-produced fabric, and in certain limited instances, fabric from third countries used by the least developed countries in Africa. That said, where the conference agreement does expand those benefits for Africa and the Caribbean, it also creates new opportunities for U.S. interests as well.

For example, the conference agreement's rules of origin expressly provide for the use of American yarn, which relies on American cotton, for regionally-made knit fabric that can be used in apparel articles destined for the U.S. markets under the benefits provided by the conference agreement.

The conference agreement deserves the Senate's support. The conference agreement represents an attempt to reach out and provide not just a helping hand, but an opportunity—an opportunity for millions around the world to seize their own economic destiny.

Africa has for too long suffered from our neglect. The continent faces daunting political, economic and social challenges. Yet, African leaders are seizing the opportunity to press for political and economic change. The same holds true in the Caribbean and Central America. The changes in the region since the original CBI legislation passed in 1983 have been dramatic. Our goal must be to support those changes.

The goal of the Trade and Development Act of 2000 is to meet Africa's leaders and those in the Caribbean and Central America half way. It is not a panacea for problems they face; rather, it is a small downpayment—an investment—in a partnership that I hope we can foster through our actions here.

This is a measure that is supported by every African and Caribbean government. It represents a commitment by leaders in both regions to a stronger economic relationship with the United States, and that street runs both ways. Our exports to the Sub-Saharan region of Africa, for example, already exceed by 20 percent our exports to all the states of the former Soviet Union combined. We furthermore run a regular surplus in our trade with the Caribbean and Central America. In other words, in helping Africa and the Caribbean, we are also helping ourselves.

The conference agreement will also serve as an agent of positive change. The eligibility criteria in both the Africa and CBI provisions are expressly designed to foster economic opportunity and political freedom. That includes the criterion added here in the Senate by a vote of 96-0 obliging beneficiaries of these two programs, as well as the Generalized System of Preferences, to implement their international obligations with respect to the elimination of the worst forms of child labor, such as slavery, indentured servitude, and prostitution.

For those who would argue that the bill creates incentives to transship third country fabric through either Africa or the Caribbean, the conference agreement has a response that was worked out in close consultation with the Customs Service and all other interested parties. To protect against customs fraud designed to gain access

to the program illegally (commonly referred to as "transshipment"), the conference agreement contains unprecedented protections. They include requirements that the beneficiary countries, with U.S. technical assistance, develop their own effective enforcement infrastructure to combat transshipment and cooperate fully with the U.S. Customs Service in its investigation of alleged customs fraud. In addition, with respect to any individual exporter found fraudulently to have claimed the trade benefits extended under the conference agreement, the conference agreement would expel the exporter from eligibility for the program's benefits. The conference agreement would also authorize the appropriation of funds necessary to improve the U.S. Customs Service's investigation of transshipment generally, in order to contribute to the success of the program's benefits.

For those who have expressed their concern that the new programs will lead to a flood of new imports at a time when the U.S. industry is already under economic pressure to adjust due to agreements reached in the Uruguay Round, the conference agreement has a response as well. First, the rules of origin under the conference agreement largely reflect the approach we adopted in the Senate, one that favors the use of American fabric. That means that any increase in imports will necessarily imply an increase in sales of American textiles. Second, the conference agreement also provides a mechanism by which domestic producers of apparel articles competing with those imported under these programs can obtain temporary relief from unexpected surges in particular categories that threaten serious injury to the competing domestic industry.

The conference agreement would add certain other provisions that I believe will strengthen the prospects for success. For example, with respect to Africa, the conference agreement encourages the negotiation of new trade-liberalizing agreements with interested Sub-Saharan Africa trading partners that would build on the foundation that the conference agreement establishes, and toward that end the conference agreement makes permanent the position of Assistant United States Trade Representative for African Affairs.

The conference agreement also includes a variety of other measures that address other aspects of the challenges facing Africa and other aspects of our economic relationship with the continent. Those include a sense of the Congress resolution regarding the need for comprehensive debt relief for the world's poorest countries (most of which are in Sub-Saharan Africa); the targeting of U.S. technical assistance to foster the goals of the conference agreement with respect to Sub-Saharan Africa; encouraging the development of a special equity fund for fostering investment in Africa at the U.S.

Overseas Private Investment Corporation; directing the expansion of U.S. Commerce Department initiatives designed to foster the development of African markets for U.S. exports; the donation of air traffic control equipment no longer in use in the United States to eligible Sub-Saharan Africa countries; a sense of the Congress relating to efforts to combat desertification; and authorization of a study regarding potential improvements in Sub-Saharan agricultural practices.

With respect to the Caribbean and Central America, the conference agreement adds provisions designed to foster the success of the initiative as well. Those include encouragement to enter into negotiations with interested trading partners on trade agreements that would liberalize two-way trade further and directions to the President to organize regular meetings of the U.S. Trade Representative with trade ministers from the region to eliminate obstacles to a stronger economic relationship between the United States and our trading partners in the region.

The conference agreement contains a number of other trade-related provisions that are worth noting. Those include the permanent establishment of a special representative on agricultural trade at USTR and a statement of agricultural trade negotiating objectives that we hope will shape the agenda for the ongoing trade talks in the World Trade Organization on agriculture.

The conference agreement also provides a boost to our review of trade adjustment assistance programs to ensure that they are operating effectively. While the conference agreement does not include the Senate amendment expanding our farmers' access to TAA programs, it does highlight the need to review our current TAA programs with a view toward ensuring that those programs do provide benefits to farmers as those programs were originally intended to do when established in 1962. That review is already under way within the Finance Committee.

The conference agreement would also extend permanent normal trade relations to Kyrgyzstan and Albania. Kyrgyzstan deserves special mention because it is the first of the former Soviet republics, apart from two Baltic countries, to join the World Trade Organization. It has also made considerable progress toward a market economy and political pluralism. Establishing stronger trade links with the Kyrgyz republic is designed to foster a stronger relationship on a broader front, both economically and politically.

I would also like to express my support for those provisions of the conference report designed to address the tariff inversion affecting the suit-making and fabric industries in this country. I have worked with a number of Senators for the past six months to forge this compromise that would address the concerns of both the domestic

suit-makers, fabric-makers, and wool growers. I am particularly proud that the compromise was reached on the basis of tariff cuts that benefit all of the parties. The conference agreement resolves a difficult problem that has undermined the competitiveness of all sides of the U.S. industry and I am pleased that we have been able to reach an agreement that should foster both stronger suit-makers and stronger fabric-makers, as well as assist our sheep industry in developing new markets for its wool fiber.

I would also like to note my disappointment that we were unable to agree on a way to make further progress in addressing the scourge of AIDS affecting so many African countries. I worked for several months to reach a compromise with both sides of the debate regarding the supply of patented drugs to combat AIDS-related disease, but that effort went unrewarded. I would have hoped that the conference report would have gone further, particularly where we had worked on what I thought were constructive potential compromises, but I am certain that there will be other opportunities in this Congress to rejoin those discussions.

Any conference agreement is, by its nature a compromise. In this instance, I am convinced that the conference agreement is the stronger for it. While we did not accomplish all that I hoped, this conference agreement represents an incredible accomplishment.

For that, I particularly want to thank the majority leader for his commitment to this process. I want to convey my special thanks to my esteemed colleague, the ranking member of the Finance Committee, Senator MOYNIHAN, for his leadership throughout this process, to Senator GRASSLEY, chairman of the Subcommittee on International Trade, for his sustained contribution, and to the other Senate conferees.

I also want to applaud the efforts of our counterparts on the House side, from the chairman and ranking member of the Ways and Means Committee, Congressmen ARCHER and RANGEL, to the chair and ranking member of the Ways and Means Trade Subcommittee, Congressmen CRANE and LEVIN, and to the Speaker of the House, Congressman HASTERT. They made this conference agreement a reality.●

Mr. MOYNIHAN. Mr. President, I see my friend from Florida is here, so I am happy to yield to him.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I need only a few minutes to respond to a couple previous remarks. I will not take very long, I say to the Senator from Florida.

Mr. President, I want to, first of all, follow up on a comment that Senator DODD and Senator MOYNIHAN made about Colombia and including it in the Caribbean Basin Initiative. I was hopeful we could do that. I sent several

communiques to the leaders about doing that. I am sorry it could not be done in this conference agreement. I hope we get an opportunity this year to include Colombia as a beneficiary country in the Caribbean Basin Initiative program because I think it will help the economy of Colombia, help them overcome the civil distress they have there, even more than the aid that we currently give to Colombia, although that aid is very necessary.

I also want to make a short comment on the effort put forth by the Senator from California, Senator FEINSTEIN, to explain the situation with AIDS in Africa, and her attempt to help relieve that terrible situation through the AIDS provision she included in the Africa trade bill. I applaud my distinguished colleague, the senior Senator from California, for her great concern for the victims of the AIDS disaster in Africa. We all could not help but be deeply moved by her presentation and the compassion that she expressed this morning.

I supported Senator ROTH's efforts to seek a compromise on her provisions that would have been acceptable to the House. The Senator from California, as well as Senator ROTH, have performed a great service in bringing this issue to our attention and in trying to do something about it.

Then lastly, I will say a few words on the comments made by Senator HOLLINGS, in his long and very thorough presentation of his point of view—which I disagree with, or at least his conclusions.

He is a distinguished Senator with great knowledge on this particular issue. I think he is wrong in opposing the bill because he says that this conference report will devastate the U.S. apparel industry.

Sub-Saharan Africa currently supplies less than 1 percent of the total value of apparel imports to the United States. Under the most optimistic circumstances, the recent analysis by the nonpartisan International Trade Commission shows that passage of this legislation would increase apparel imports to this country from sub-Saharan Africa by about 3 percent. Most, if not all, of this increase would come at the expense of Far Eastern suppliers, not the U.S. manufacturers.

Again, let me emphasize, that is from the nonpartisan—at least bipartisan—International Trade Commission. The legislation in the conference report establishes a mechanism under which domestic producers can petition for relief from import surges that threaten serious injury.

Under these provisions, tariffs could be reimposed in limited instances in which a domestic producer could establish a meritorious case. So we have that option just in case the analysis made by the International Trade Commission might be wrong. I do not think it is going to be wrong. In fact, I have great confidence their predictions will not be wrong. But just in case there are

some unexpected import surges, our legislation provides for a petition for relief in those instances.

Furthermore, we have the industry's own analysis. It suggests that this legislation will create an additional 120,000 jobs, largely due to provisions requiring that all apparel items benefiting from provisions contained in the Caribbean Basin Initiative portion of this legislation must be assembled by textile components using U.S. fabrics.

More generally, I want to say a word about the idea that free trade has not provided economic benefits to the average American. I want to quote from the economic report of the President, who is, of course, a member of the same party as the Senator from South Carolina.

The President's own economic report for fiscal year 2000 shows that, because of trade agreements that have liberalized trade and opened new markets, the average American has realized an annual economic benefit of \$1,000 every year since 1963. Since we traditionally measure economic benefits by how they affect families, with a family of four, that is an annual benefit of \$4,000 per family.

Think in terms of what we have tried to do for families through proposals for tax cuts. That amount of \$4,000 is far more than any tax cut that we have debated in the Congress. The idea that the average American does not benefit from free trade is simply not true. My source of that information—I tell the Senator from South Carolina—is the leader of his party, President Clinton, making those statements in his own budget document.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, since the early 1980s, the United States has implemented a logical series of policy initiatives with respect to the nations of the Caribbean Basin.

First, in 1983, we enacted the Caribbean Basin Initiative, CBI, to stabilize the region by building stronger, more diverse economies. This initiative had the added goals of enhancing national security, and reducing the flow of illegal drugs and illegal immigrants into the United States.

Second, after the enactment of NAFTA in 1993, we moved to "level the playing field," for the CBI region by further enhancing our trade relationship with the CBI nations. Today, after 7 years of debate, we will vote on the final passage of this measure.

Third, we have responded quickly and compassionately to a number of humanitarian crises in the CBI region; most recently to Hurricanes Mitch and Georges, which caused unprecedented damage and misery in many Latin American nations.

And finally, we now look towards 2005, a year that will bring the expiration of the Agreement on Textiles and Clothing and the implementation of the Free Trade Area of the Americas,

both of which will significantly affect trade relations throughout the Western Hemisphere. Today, I will discuss the importance of the legislation before us, as well as the future of our relationship with some of our most important neighbors.

I am very pleased that the full Senate is now considering the conference report on H.R. 434, which includes a number of trade enhancement measures, including the Africa Growth and Opportunity Act and Caribbean Basin Trade Enhancement. Although I fully support all the measures in this package, I have a particular interest in the United States-Caribbean Basin Trade Enhancement Act. Since the passage of NAFTA put our Caribbean neighbors at a competitive disadvantage, I have worked to enhance the Caribbean Basin Initiative that was originally passed in 1983. I thank Senators ROTH, MOYNIHAN, and LOTT for their support in bringing this important piece of legislation to the floor, in addition to their tireless work with the Senate and House conferees to reach agreement on a number of provisions included in this bill.

Over the past 7 years, I have worked to enhance and build upon our existing trade relationship with our neighbors in the Caribbean Basin region. Three times, in 1993, 1995, and 1997, I introduced CBI enhancement legislation to achieve this important goal. On February 3, 1999, in response to the overwhelming devastation and destruction caused by Hurricane Georges and Hurricane Mitch, I introduced the Central American and Caribbean Relief Act. This bill represented a broad and comprehensive strategy to provide immediate disaster relief, economic and infrastructure recovery and development, and long-term trade enhancements that would benefit both the United States and the countries in the region well into the new millennium.

Although we passed legislation in March 1999 that provided immediate disaster relief to the countries in the region that were impacted by Hurricanes Georges and Mitch, I am pleased that we are now considering final passage of a bill that includes many of the long term trade enhancement provisions I introduced in the Central American and Caribbean Relief Act. Trade is the best form of aid. Enacting this legislation is critical to the continued economic health of our nation and the economic health of our closest neighbors in the Caribbean and Latin America. It is also in our national security interests.

There are many compelling reasons to pass this legislation. The first is humanitarian. I have made three trips to the region in the year following the devastation of Hurricane Georges and Hurricane Mitch. I know that many of my colleagues have also seen the destruction caused by these hurricanes. These two destructive storms caused a level of death and devastation not seen in this hemisphere in over 200 years.

We have all heard of the tremendous loss of life, economic disruption, and human suffering caused by these hurricanes. As a neighbor, a friend, and a great nation, we have an obligation to respond with assistance that will help the region recover as rapidly as possible.

A second reason to pass this legislation is economic: CBI enhancements are in the best economic interest of the United States. Experience shows us that providing trade benefits to the Caribbean basin in good for the United States. Following enactment of the Caribbean Basin Initiative in 1983, our trade position with the region improved from a deficit of \$3 billion in 1983 to a surplus of nearly \$3.5 billion in 1998. Between 1983 and 1998, U.S. exports to the region increased fourfold, while total imports into the U.S. from the region grew by less than 20 per cent. On a per capita basis, our trade surplus with the CBI region has consistently out-paced our trade surplus with any other region of the world. In fact, since 1995, U.S. exports to the CBI countries have increased by approximately 32 percent. Over 58 million consumers in the 24 countries in the CBI region purchase 70 percent of their non-oil imports from the United States.

Yet another reason to strengthen the Caribbean economy is the stability of our closest neighbors. In 1983 the Caribbean Basin, which includes Central America, was a region inflamed with violent conflicts and rampant drug trafficking. The primary goal of the initial CBI legislation was to stabilize the region by building stronger, more diverse economies, and to enhance our national security by reducing the flow of illegal drugs and illegal immigrants into the United States.

While everyone can agree that the region's worst days are behind it, we have a continued national security interest in the Caribbean Basin—such as stemming the flow of illegal drugs into the United States. Without assistance to restart the regional economy and make it possible for people to provide for their families, the nations in the region will be even more susceptible to the scourge of drug trafficking. The people of the region must have opportunities in the legal economy so that they may feed their families and resist the financial temptations associated with drug trafficking.

In addition, failing to enact CBI enhancements will increase the pressure for migration to the United States. The people of the region must have real opportunity at home so that they are not forced to flee in order to find employment and feed their families.

Passage of this legislation is not only critical to ensure that the Caribbean Basin is no longer negatively affected by NAFTA, but it will also boost the region's long-term competitiveness with Asian nations, particularly in the textile industry.

Although current CBI textile production costs are somewhat higher than

costs in Asia, the textile products of most Asian nations are currently subject to quotas imposed by the Multi-Fiber Agreement, now known as the Agreement on Textiles and Clothing. This restriction on Asian textiles has enabled the CBI region to remain competitive, and further, the CBI region has become a significant market for fabric woven in U.S. mills from yarn spun in the U.S. originating from U.S. cotton growers.

However, in 2005, the Asian import quotas will be phased out. At that time, textile production in the Caribbean basin will be placed at a distinct and growing disadvantage. Disinvestment in the region will occur, reducing the incentive to use any material from U.S. textile mills or cotton grown in the United States.

That is why passing CBI enhancement legislation now is critical to the U.S. textile and yarn industries, as well as to the U.S. cotton growers. Sixty-four thousand U.S. textile workers depend on our partnership with the Caribbean. Overall, four hundred thousand U.S. jobs are dependent upon textile exports to the CBI region. Only by providing incentives for the development of strong relationships with apparel manufacturers in our hemisphere will we have any chance to maintain a market for U.S. cotton and textiles after the Asian quotas are eliminated in 2005.

Inherent in our CBI enhancement efforts are public and private investment incentives that will increase productivity and the quality of life within the region. We anticipate the textile industry will provide investment capital targeted for the construction and maintenance of schools, health and child care facilities, and technology enhancements to increase the productivity of both workers and existing manufacturing facilities. A well trained and healthy workforce will be more productive and efficient as Caribbean basin producers compete for shares of the international textile market.

Mr. President, we are about to make a fundamental decision that will impact twenty-seven of our closest neighbors. The choice is clear, stark and beyond reasonable debate. Will we engage or will we retreat? I urge my colleagues to extend this assistance to our neighbors in order to expand commerce and promote economic and political stability in the region.

With the final passage of this legislation, we have an unprecedented opportunity to strengthen our economic and national security through the enhancement of our trade relationship with our neighbors in the region. We must act prior to 2005 to build a dynamic, formidable Western Hemisphere trade alliance that encourages U.S. industry to invest in the region and to make commitments to rebuilding the industrial infrastructure in the region.

There are a number of additional initiatives, both at home and abroad, that we should aggressively pursue in order

to build a true "partnership for success" with both the Caribbean and the other nations of the Western Hemisphere. Mr. President, as we take the first step in this process today in passing CBI enhancement legislation, let me outline and advocate a comprehensive strategy for economic growth and development throughout our hemisphere.

First, here in the U.S., we should move quickly to modernize and improve both the facilities and organizations that manage our international trade.

For example, in recent years, the variety of trade and commerce that are carried out at seaports has greatly expanded. This continuing growth of activity at seaports has increased the opportunities for a variety of illegal activities, including drug trafficking, cargo theft, auto theft, illegal immigration, and the diversion of cargo, such as food products, to avoid safety inspections.

In 1998, I asked the President to establish a federal commission to evaluate the nature and extent of crime and the overall state of security in seaports, and to develop recommendations for improving the response of federal, state and local agencies to all types of seaport crime. In response to my request, President Clinton established the Interagency Commission on Crime and Security in U.S. Seaports on April 27, 1999.

Although the Commission will soon release its final report, it has already identified at least four preliminary recommendations for improving seaport security:

First, we should establish minimum security guidelines for all U.S. seaports. These would include uniform practices for physical security, certification for private security officers at seaports, guidelines for restricting vehicle access to seaports, and other, similar measures.

Second, local ports should establish and maintain local port security committees, made up of federal, state, and local agencies with trade and law enforcement responsibilities at seaports. These committees would discuss and develop solutions for issues related to port security. For example, a joint initiative among state and local police departments in South Florida, the FBI, and the Customs Service, known as the Miami-Dade County Auto Theft Task Force, has been very successful. In the last 3 years, this task force has recovered 851 stolen vehicles valued at \$19 million.

Third, federal, state, and local law enforcement agencies should conduct cooperative, interagency threat assessments for seaports within their jurisdictions, with an eye towards coordinating their efforts to combat criminal activity.

And finally, we should encourage the development and deployment of new technologies that would further assist law enforcement and trade officials in

carrying out their missions at the ports. Currently, few ports employ measures such as security cameras, carbon dioxide detectors, vessel tracking devices, or enhanced x-ray equipment, all of which could assist law enforcement personnel in accomplishing their mission. Enhanced technology will not only facilitate the movement of legitimate trade, but will also assist in the rapid detection of criminal and terrorist activities.

The second critical domestic initiative is the modernization of the U.S. Customs Service. On a typical day, dedicated Customs officers in over 900 U.S. field locations and 34 foreign offices perform multiple tasks associated with the successful performance of the agency's mission. This includes the examination of 550 vessels, 45,000 trucks, 344,000 vehicles, and 1.3 million passengers.

Perhaps even more important, Customs officers seize over 4000 pounds of narcotics and \$1.2 million in drug money in a day, and they make 67 criminal arrests of those involved in a various illegal activities, including drug running and money laundering. And finally, in their role as facilitator of U.S. trade, Customs processes over 58,600 import shipments worth \$2.6 billion, monitors 27,000 export shipments, and collects over \$60 million of revenue per day.

It is vital that the automation systems upon which Customs relies to perform its mission-critical functions be up-to-date and capable of handling the ever-increasing pressure on the Service. And this is the problem.

Currently, the Customs Service relies on severely aging automation systems. In particular, Customs Automated Commercial System (known as ACS), which is at the core of their trade enforcement and compliance functions, and is over sixteen (16) years old, is increasingly susceptible to short-term "brown-outs" and long-term failure. With an ACS system failure, even for a few hours, the Customs Service's responsibility for protecting American borders becomes significantly more difficult.

Commissioner Kelly and the Customs Service are ready to move forward with the modernization of their information technology systems. They have determined the funding requirements to accomplish their modernization goals in the most cost-effective fashion. Customs will require \$12 million for the remainder of fiscal year 2000, and they have requested \$338.4 million for fiscal year 2001 in order to complete this project.

The importance of Customs modernization cannot be overstated; it is a fundamental component of moving U.S. trade policy into the 21st century. I urge my colleagues to support Commissioner Kelly in his effort to streamline and modernize the Customs Service, and to fully fund this critically important initiative.

Third, we must pass legislation that recognizes the comprehensive role of

the Customs service in both trade facilitation and law enforcement. Both the Senate and the House have passed bills to reauthorize the U.S. Customs Service. Both bills would provide Customs with the necessary funding it requires to perform its multi-faceted functions of drug interdiction, passenger and cargo inspection, and trade facilitation.

Both bills enhance drug interdiction and investigative efforts, the facilitation of international trade, the targeted use of sophisticated technology, the efficient allocation of assets and resources, and the enhancement of Customs internal affairs functions. In addition, the Senate bill directs the Customs Service to establish performance goals and indicators, as well as priorities and objectives by which we may evaluate the effectiveness of Customs operations.

I urge both chambers of Congress to resolve quickly the differences between the two bills, and to pass a comprehensive Customs Reauthorization Act as a demonstration of our commitment to support the first line of defense against the flow of drugs and drug money across our borders, and boost the first line of offense in promoting trade.

In the interest of expanding trade and economic development throughout the Western Hemisphere, there are a number of legislative initiatives already under consideration by the Senate that should be finalized and passed before we complete our business this year.

As I have already stated, the primary goal of the Caribbean Basin Initiative (CBI) was to stabilize the region by building stronger and more diverse economies, encouraging growth in international trade, developing a strong economic relationship between the U.S. and the region, and creating employment opportunities in the legitimate economy as an alternative to drug trafficking.

In 1991, after 8 years of resounding success in the CBI region, Congress passed the Andean Trade Preferences Act (ATPA), providing CBI-like trade benefits to the countries of Bolivia, Colombia, Ecuador, and Peru. In the nine years following enactment of ATPA, U.S. exports to the Andean region have more than doubled, from \$3.9 billion in 1991 to nearly \$9 billion in 1998. U.S. exports to Colombia account for over half of this increase, growing from \$2 billion in 1991 to \$4.8 billion in 1998. During the same time period, Andean exports to the U.S. increased by almost 80 percent.

In the wake of the Asian financial crisis, Colombia and its Andean neighbors are struggling with issues similar to the challenges of the CBI region—only much worse. After more than 60 years of sustained growth, Colombia is experiencing its worst economic recession since the 1930s. Unemployment in Colombia is at an historic high of 21 percent; the Colombian economy is suffering from three consecutive quarters

of negative growth. The economic downturn in Colombia has harmed both foreign and domestic investor confidence in the Andean region.

Drug trafficking is undermining the democratic foundations of the Andean region. The Office of National Drug Control Policy (ONDCP) recently released information indicating Colombian coca cultivation has increased 140 percent over the past five years. More than 300,000 acres of coca are currently under cultivation in the jungles and mountains of Colombia. Actual cocaine production in Colombia has risen from 230 metric tons to 520 metric tons, a 126 percent increase in the same five year period. ONDCP estimates that 80 percent of the cocaine available on our nation's streets was cultivated on Colombian farm land, processed in Colombian drug labs, or smuggled into the U.S. through Colombia's roads, rivers, and air space.

The people of the Andean region are also suffering from the rampant guerrilla violence that plagues Colombia and threatens the stability of the entire Andean region. In 1998, there were over 21,000 murders and 1,100 kidnappings in Colombia. Ninety percent of these murders and kidnappings were related to the armed conflict between the Government of Colombia and the anti-government insurgent groups who control almost 40 percent of the country, are heavily involved in cocaine and heroin trafficking, and who regularly violate the national sovereignty of their Andean neighbors.

Colombia's best and brightest citizens are leaving their homes in record numbers. Since 1995, over 1 million Colombians have fled their country to escape the drug and guerrilla related violence that threatens the entire region. In the last year alone, more than 100,000 Colombians have moved to South Florida. Seventy percent of the Colombians displaced by the violence and terror in their country will never return to Colombia.

In response to this crisis, the government of Colombia has formulated Plan Colombia. The administration, in turn, has responded generously to Colombia's needs by considering a supplemental appropriations package of more than \$1.6 billion to help the country in this time of crisis. This will supplement over \$4.0 billion being spent by Colombia itself.

Fundamental to Plan Colombia, and to the government's ability to succeed in its efforts to safeguard the country, will be efforts to encourage economic growth and provide jobs to the Colombian people. Without new economic opportunities, more and more Colombians will turn to illicit activities to support their families or seek to join the growing numbers of people who are leaving the country to find a better, safer future for their families.

As part of its Colombian assistance package, the administration has proposed \$145 million over the next 2 years for alternative economic development

targeted toward Colombian coca and poppy growers. Although agricultural reform is an important component of the administration's plan, agricultural programs alone are insufficient in addressing the alternative development needs in the Andean region. Again Mr. President, trade is the best form of aid.

The United States is at a critical juncture with its neighbors in the CBI and Andean regions. As we enhance our trading relationship with our partners in the Caribbean by passing the legislation under consideration today, we must also work to expand and enhance our trading relationships with the countries of the Andean region. Currently, under ATPA, Bolivia, Colombia, Ecuador, and Peru enjoy the same trade benefits that we currently extend to the CBI region. However, upon final passage and enactment of CBI enhancements, our Andean trading partners will be at a competitive disadvantage.

To promote economic growth and regional stability, the Congress must consider additional trade measures that benefit the Andean region. First, the Congress should grant early renewal of ATPA. Early renewal of this important trade agreement will signal the United States' support of Colombia's economic reform efforts, and will boost the confidence of both domestic and international investors in pursuing business opportunities that create jobs and enhance international trade in Colombia and the Andean region.

Second, the Congress should consider granting CBI parity to the ATPA beneficiaries. During 1999, Colombia and its Andean neighbors exported approximately \$562 million in textiles and apparel to the United States. While insignificant in comparison to the \$8.4 billion in textile and apparel exports originating in the CBI region, Andean textile and apparel production sustains more than 200,000 jobs in Colombia alone—valuable jobs in the legitimate economy. Absent CBI parity, the Andean region will find itself at a significant competitive disadvantage with the 27 countries of the CBI region.

Third, the Senate should approve passage of the administration's supplemental assistance package for Colombia. The proposal responds to an emergency situation, expresses a strong U.S. commitment to Colombia, and complements other key elements of Plan Colombia. I believe that it will help mobilize higher levels of commitment from the Colombian government and the private sector, and will catalyze and sustain multilateral efforts of support for Colombia.

As we consider the final passage of CBI enhancements, as well as the President's Colombian aid package, the United States has an unprecedented opportunity to make significant accomplishments in regions ravaged by natural disasters, economic contraction, and the scourge of drug trafficking. However, as we make the fateful decisions, we must recognize that the dollars we spend on eradication and inter-

diction will be wasted unless the expansion and enhancement of international trade is included as a critical component of an effective economic assistance and counter drug strategy.

We must also aggressively pursue the Free Trade Area of the Americas, which will put in place the future framework for trade in our hemisphere. We cannot afford to fail in this task, and I am encouraged by the progress that has been made up to this point.

Last year, Congress passed my resolution stating that Miami should host the permanent Secretariat of the Free Trade Area of the Americas. Coupled with the passage of the trade legislation under consideration today, these actions indicate that the United States Congress still believes that opening markets and expanding economic links abroad are in our national interests. We must continue to demonstrate our leadership in this movement.

There is also much that can and should be accomplished by our Caribbean partners to ensure that their end of the international trading system is as efficient as it can be. They must work to ensure the efficiency of their seaports, airports, and transportation systems. We can help with technical assistance. International institutions such as the World Bank and the Inter-American Development Bank can use their assistance programs to promote efficiency and increase investment in the textile and apparel sector of the Caribbean economy. We can also work with these institutions and industries to ensure that internationally recognized labor rights are respected. Such initiatives will continue to build a consensus in the U.S. and aboard on the benefits of expanded trade.

Upon final passage of CBI enhancement legislation, we will begin the important process of establishing a true "partnership for success" with some of our important neighbors. Mr. President, the action of the Senate today is a good start, but is only the beginning. I urge my colleagues to look towards the future, and to take advantage of the real economic benefits that can be achieved by further enhancing our relationship with the nations of the Western Hemisphere.

#### TRIBUTE TO NAVY CAPTAIN GEORGE STREET

Mr. KENNEDY. Mr. President, I welcome this opportunity to pay tribute to an outstanding officer of the U.S. Navy.

Captain George Street, a World War II submarine war hero and Medal of Honor winner, proudly served our country in the United States Navy for over 39 years. Sadly, he passed away on February 28, in Andover, Massachusetts, his home for many years after his retirement from the Navy in 1966.

Captain Street was a native of Richmond, Virginia, and a 1937 graduate of the United States Naval Academy. He served on two naval surface combat

ships, the USS *Concord* and the USS *Arkansas*, before reporting to submarine school. His first submarine assignment was in the USS *Gar* where he made nine wartime patrols in the Pacific. On his very first patrol, as the submarine's Torpedo Data Computer Operator, his leadership and courage earned him the Silver Star for actions in which the *Gar* sank over 10,000 tons of enemy shipping.

On a subsequent patrol, he earned a second Silver Star as the *Gar*'s Assistant Approach Officer. Operating in Japanese-controlled waters, he played a vital role in sinking three enemy ships, and was also instrumental in enabling the *Gar* to evade a barrage of enemy countermeasures and return safely to port. Captain Street continued to build upon his brilliant service as the war went on.

In November 1944, he took command of the USS *Tirante* and on March 3, 1945, he led the submarine out of Pearl Harbor on her first war patrol. Within a month, Captain Street and the crew of the *Tirante* sank three enemy ships off the shores of Japan and survived a seven-hour counterattack by Japanese ships. Captain Street continued his patrol in the East China Sea, near Japan's southern coast, wreaking havoc on Japanese shipping.

On April 14, 1945, the *Tirante* began a major battle that would earn the crew a Presidential Unit Citation and result in President Harry S. Truman awarding Captain Street the Congressional Medal of Honor. Receiving intelligence that a major Japanese transport ship and escort vessels had anchored in a harbor on Quelpart Island off the coast of Korea, Captain Street took the fight to the enemy. He surfaced the *Tirante* and manned his gun crews since the *Tirante* would have to fight her way out on the surface if attacked. He maneuvered to penetrate the mined, shoal-obstructed, and radar-protected harbor. He evaded enemy patrols and, once in the inner harbor, fired two torpedoes into a large Japanese ammunition ship, completely destroying it. The resultant explosion revealed the *Tirante*'s position to the enemy. In the light of the burning ammunition ship, two Japanese Mikura class frigates spotted the *Tirante* and attacked. Quickly bringing his submarine to bear on the leading frigate, Captain Street

counterattacked with a torpedo, and then swung his boat around and fired his last torpedo at the other frigate. Clearing the harbor at emergency full-speed-ahead, he slipped undetected along the shoreline and safely evaded a depth charge attack by a pursuing patrol. The ammunition ship and both frigates had been sunk.

Captain Street was awarded the Navy Cross for another bold action two months later. On June 11, 1945, the *Tirante* sank several hostile freighters and other vessels, then moved through treacherous shallow waters into the heart of Nagasaki Harbor, where he sank another Japanese ship and destroyed docking facilities vital to the



enemy. The *Tirante* surfaced and escaped from the harbor under hostile gunfire from ship and shore batteries.

After World War II, Captain Street continued to serve with distinction as the commanding officer of three naval surface ships, as a submarine division commander, and as the commander of a submarine group. On his retirement in 1966, he became an active member of numerous local, state, and national veterans organizations and was a popular speaker at patriotic and community functions in Massachusetts and New England. Captain Street often helped veterans and veterans organizations, and had a strong interest in talking with and inspiring school children.

Captain Street's dedication and service to his country and community were extraordinary. I am grateful, as I know the entire nation is, for his lifetime of outstanding service. He was a great American hero, role model, and citizen. He will be missed, but his memory and example will live forever.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized. Mr. KENNEDY. I thank the Chair.

(The remarks of Mr. DASCHLE and Mr. KENNEDY pertaining to the introduction of S. 2541 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### ELIMINATION OF COST-OF-LIVING ADJUSTMENTS

Mr. KENNEDY. Mr. President, we have just witnessed this week another example of indifference by Congress to the needs of lower-wage and hard-working American workers. While our minimum wage bill still languishes in the Congress in spite of all our efforts, the House Appropriations Committee just passed a bill that will eliminate the cost-of-living adjustments for the low-wage workers in the legislative branch. They cut the COLAs of the Library of Congress, the Government Printing Office, and other vital congressional agencies. This is after the Members of Congress got a cost-of-living increase of \$4,600 last year.

The Republican leadership has cut out a COLA increase for these workers who happen to be the lowest-paid Congressional workers. If you are a truck driver for the Government Printing Office, you are out of luck. Again, when it comes to the staffs of the Members, they made sure their interests were protected. Drawing that kind of a line with workers who work for this institution is absolutely scandalous.

What is it about our Republican friends that they believe they have to be so harsh with the lowest-income working families in this country, refusing to permit us to vote on a pay increase, an increase in the minimum wage, of 50 cents this year and 50 cents next year? They have taken convoluted parliamentary tricks to block us from considering that, and then we find their own priorities are that this insti-

tution takes \$4,600 for its COLA increase and cuts out the COLA increase for the lowest-paid workers who are serving the Congress. That is wrong. I hope the House of Representatives will change it. I hope it will not be tolerated.

There will be an effort on the Senate floor to make amends because that is wrong and unjust. We are not going to permit it to stand.

I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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

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

#### TRADE AND DEVELOPMENT ACT OF 2000—CONFERENCE REPORT—Continued

Mr. FEINGOLD. Mr. President, I want to take time to share some excerpts taken from the National Intelligence Estimate 99-17D of January 2000, which frames infectious diseases, such as HIV/AIDS, as a national security threat to the United States.

This is, obviously, pursuant to the discussion we have been having most of the day with regard to the inadequacy of the African Growth and Opportunity Act with regard to the provisions concerning HIV/AIDS in Africa and, in particular, the very serious error of the conference committee in eliminating the Feinstein-Feingold amendment concerning HIV/AIDS.

This report represents an important initiative on the part of the Intelligence Community to consider the national security dimension of a nontraditional threat. It responds to a growing concern by senior US leaders about the implications—in terms of health, economics, and national security—of the growing global infectious disease threat. The dramatic increase in drug-resistant microbes, combined with the lag in development of new antibiotics, the rise of megacities with severe health care deficiencies, environmental degradation, and the growing ease and frequency of cross-border movements of people and produce have greatly facilitated the spread of infectious diseases.

As part of this new US Government effort, the National Intelligence Council produced this national intelligence estimate. It examines the most lethal diseases globally and by region; develops alternative scenarios about their future course; examines national and international capacities to deal with them; and assesses their national global social, economic, political, and security impact.

Of the seven biggest killers worldwide, TB, malaria, hepatitis, and, in particular, HIV/AIDS continue to surge, with HIV/AIDS and TB likely to account for the overwhelming majority of deaths from infectious diseases in developing countries by 2020.

Sub-Saharan Africa—accounting for nearly half of infectious disease deaths globally—will remain the most vulnerable region. The death rates for many diseases, including HIV/AIDS and malaria, exceed those in all other regions. Sub-Saharan Africa's health

care capacity—the poorest in the world—will continue to lag.

The most likely scenario, in our view, is one in which the infectious disease threat—particularly from HIV/AIDS—worsens during the first half of our time frame, but decreases fitfully after that, owing to better prevention and control efforts, new drugs and vaccines, and socioeconomic improvements. In the next decade, under this scenario, negative demographic and social conditions in developing countries, such as continued urbanization and poor health care capacity, remain conducive to the spread of infectious diseases; persistent poverty sustains the least developed countries as reservoirs of infection; and microbial resistance continues to increase faster than the pace of new drug and vaccine development. During the subsequent decade, more positive demographic changes such as reduced fertility and aging populations; gradual socioeconomic improvement in most countries; medical advances against childhood and vaccine-preventable killers such as diarrheal diseases, neonatal tetanus, and measles; expanded international surveillance and response systems; and improvements in national health care capacities take hold in all but the least developed countries.

Barring the appearance of a deadly and highly infectious new disease, a catastrophic upward lurch by HIV/AIDS, or the release of a highly contagious biological agent capable of rapid and widescale secondary spread, these developments produce at least limited gains against the overall infectious disease threat. However, the remaining group of virulent diseases, led by HIV/AIDS and TB, continue to take a significant toll. The persistent infectious disease burden is likely to aggravate and, in some cases, may even provoke economic decay, social fragmentation, and political destabilization in the hardest hit countries in the developing and former communist worlds.

The economic costs of infectious disease—especially HIV/AIDS and malaria—are already significant, and their increasingly heavy toll on productivity, profitability, and foreign investment will be reflected in growing GDP losses, as well, that could reduce GDP by as much as 20 percent or more by 2010 in some Sub-Saharan African countries, according to recent studies.

Some of the hardest hit countries in Sub-Saharan Africa—and possibly later in South and Southeast Asia—will face a demographic upheaval as HIV/AIDS and associated diseases reduce human life expectancy by as much as 30 years and kill as many as a quarter of their populations over a decade or less, producing a huge orphan cohort. Nearly 42 million children in 27 countries will lose one or both parents to AIDS by 2010; 19 of the hardest hit countries will be in Sub-Saharan Africa.

The relationship between disease and political instability is indirect but real. A wide-ranging study on the causes of state instability suggests that infant mortality—a good indicator of the overall quality of life—correlates strongly with political instability, particularly in countries that already have achieved a measure of democracy. The severe social and economic impact of infectious diseases is likely to intensify the struggle for political power to control scarce state resources.

#### THE DEADLY SEVEN

The seven infectious diseases that caused the highest number of deaths in 1998, according to WHO and DIA's Armed Forces Medical Intelligence Center, AFMIC, will remain threats well into the next century. HIV/AIDS, TB malaria, and hepatitis B and C—are either spreading or becoming more drug-

resistant, while lower respiratory infections, diarrheal diseases, and measles, appear to have at least temporarily peaked.

#### HIV/AIDS

Following its identification in 1983, the spread of HIV intensified quickly. Despite progress in some regions, HIV/AIDS shows no signs of abating globally. Approximately 2.3 million people died from AIDS worldwide in 1998, up dramatically from 0.7 million in 1993, and there were 5.8 million new infections. According to WHO, some 33.4 million people were living with HIV by 1998, up from 10 million in 1990, and the number could approach 40 million by the end of 2000. Although infection and death rates have slowed considerably in developed countries owing to the growing use of preventive measures and costly new multidrug treatment therapies, the pandemic continues to spread in much of the developing world, where 95 percent of global infections and deaths have occurred. Sub-Saharan Africa currently has the biggest regional burden, but the disease is spreading quickly in India, Russia, China, and much of the rest of Asia.

#### TB

WHO declared TB a global emergency in 1993 and the threat continues to grow, especially from multidrug resistant TB. The disease is especially prevalent in Russia, India, Southeast Asia, Sub-Saharan Africa, and parts of Latin America. More than 1.5 million people died of TB in 1998, excluding those infected with HIV/AIDS, and there were up to 7.4 million new cases. Although the vast majority of TB infections and deaths occur in developing regions, the disease also is encroaching into developed regions due to increased immigration and travel and less emphasis on prevention. Drug resistance is a growing problem; the WHO has reported that up to 50 percent of people with multidrug resistant TB may die of their infection despite treatment, which can be 10 to 50 times more expensive than that used for drug-sensitive TB. HIV/AIDS also has contributed to the resurgence of TB. One-quarter of the increase in TB incidence involves co-infection with HIV. TB probably will rank second only to HIV/AIDS as a cause of infectious disease deaths by 2020.

Malaria, a mainly tropical disease that seemed to be coming under control in the 1960s and 1970s, is making a deadly comeback—especially in Sub-Saharan Africa where infection rates increased by 40 percent from 1970 to 1997. Drug resistance, historically a problem only with the most severe form of the disease, is now increasingly reported in the milder variety, while the prospects for an effective vaccine are poor. In 1998, an estimated 300 million people were infected with malaria, and more than 1.1 million died from the disease that year. Most of the deaths occurred in Sub-Saharan Africa. According to the U.S. Agency for International Development, USAID, Sub-Saharan Africa alone is likely to experience a 7- to 20-percent annual increase in malaria-related deaths and severe illnesses over the next several years.

Sub-Saharan Africa will remain the region most affected by the global infectious disease phenomenon—accounting for nearly half of infectious disease-caused deaths worldwide. Deaths from HIV/AIDS, malaria, cholera, and several lesser known diseases exceed those in all other regions. Sixty-five percent of all deaths in Sub-Saharan Africa are caused by infectious diseases. Rudimentary health care delivery and response systems, the unavailability or misuse of drugs, the lack of funds, and the multiplicity of conflicts are exacerbating the crisis. According to the AFMIC typology, with the exception of southern Africa, most of Sub-Saharan Africa falls in the lowest category. In-

vestment in health care in the region is minimal, less than 40 percent of the people in countries such as Nigeria and the Democratic Republic of the Congo DROC have access to basic medical care, and even in relatively well off South Africa, only 50 to 70 percent have such access, with black populations at the low end of the spectrum.

Four-fifths of all HIV-related deaths and 70 percent of new infections worldwide in 1998 occurred in the region, totaling 1.8 to 2 million and 4 million, respectively. Although only a tenth of the world's population lives in the region, 11.5 million to 13.9 million cumulative AIDS deaths have occurred there. Eastern and southern African countries, including South Africa, are the worst affected, with 10 to 26 percent of adults infected with the disease. Sub-Saharan Africa has high TB prevalence, as well as the highest HIV/TB co-infection rate, with TB deaths totaling 0.55 million in 1998. The hardest hit countries are in equatorial and especially southern Africa. South Africa, in particular, is facing the biggest increase in the region.

Sub-Saharan Africa accounts for an estimated 90 percent of the global malaria burden. Ten percent of the regional disease burden is attributed to malaria, with roughly 1 million deaths in 1998. Cholera, dysentery, and other diarrhea diseases also are major killers in the region, particularly among children, refugees, and internationally displaced populations. Forty percent of all childhood deaths from diarrhea diseases occur in Sub-Saharan Africa. The region also has a high rate of hepatitis B and C infections and is the only region with a perennial meningococcal meningitis problem in a "meningitis belts" stretching from west to east.

#### MIDDLE EAST AND NORTH AFRICA

The region's conservative social mores, climatic factors, and high levels of health spending in oil-producing states tend to limit some globally prevalent diseases, such as HIV/AIDS and malaria, but others, such as TB and hepatitis B and C, are more prevalent. The region's advantages are partially offset by the impact of war-related uprooting of populations, overcrowded cities with poor refrigeration and sanitation systems, and a dearth of water, especially clean drinking water.

The HIV/AIDS impact is far lower than in other regions, with 210,000 cases, or 0.13 percent of the population, including 19,000 new cases, in 1998. This owes in part to above-average underreporting because of the stigma associated with the disease in Muslim societies and the authoritarian nature of most governments in the region.

#### INTERNATIONAL RESPONSE CAPACITY

International organizations such as WHO and the World Bank, institutions in several developed countries such as the US CDC, and Nongovernmental Organizations (NGOs), will continue to play an important role in strengthening both international and national surveillance and response systems for infectious diseases. Nonetheless, progress is likely to be slow, and development of an integrated global surveillance and response system probably is at least a decade or more away. This owes to the magnitude of the challenge; inadequate coordination at the international level; and lack of funds, capacity, and, in some cases, cooperation and commitment at the national level. Some countries hide or understate their infectious disease problems for reasons of international prestige and fear of economic losses. Total international health-related aid to low- and middle-income countries—some \$2-3 billion annually—remains a fraction of the \$250 billion health bill of these countries.

#### MACROECONOMIC IMPACT

The macroeconomic costs of the infectious disease burden are increasingly significant for the most seriously affected countries despite the partially offsetting impact of declines in population growth, and they will take an even greater toll on productivity, profitability, and foreign investment in the future. A senior World Bank official considers AIDS to be the single biggest threat to economic development in sub-Saharan Africa. A growing number of studies suggest that AIDS and malaria alone will reduce GDP in several sub-Saharan African countries by 20 percent or more by 2010.

The impact of infectious diseases on annual GDP growth in heavily affected countries already amounts to as much as a 1-percentage point reduction in the case of HIV/AIDS on average and 1 to 2 percentage points for malaria, according to World Bank studies. A recent Namibian study concluded that AIDS cost the country nearly 8 percent of GDP in 1996, while a study of Kenya projected that GDP will be 14.5 percent smaller in 2005 than it otherwise would have been without the cumulative impact of AIDS. The annual cost of malaria to Kenya's GDP was estimated at 2 to 6 percent and at 1 to 5 percent for Nigeria.

Public health spending on AIDS and related diseases threatens to crowd out other types of health care and social spending. In Kenya, HIV/AIDS treatment costs are projected to account for 50 percent of health spending by 2005. In South Africa, such costs could account for 35 to 84 percent of public health expenditures by 2005, according to one projection.

#### DISRUPTIVE SOCIAL IMPACT

At least some of the hardest-hit countries, initially in Sub-Saharan Africa and later in other regions, will face a demographic catastrophe as HIV/AIDS and associated diseases reduce human life expectancy dramatically and kill up to a quarter of their populations over the period of this Estimate.

#### LIFE EXPECTANCY AND POPULATION GROWTH

Until the early 1990's, economic development and improved health care had raised the life expectancy in developing countries to 64 years, with prospects that it would go higher still. The growing number of deaths from new and reemergent diseases such as AIDS, however, will slow or reverse this trend toward longer life spans in heavily affected countries by as much as 30 years or more by 2010, according to the US Census Bureau. For example, life expectancy will be reduced by 30 years in Botswana and Zimbabwe, by 20 years in Nigeria and South Africa, by 13 years in Honduras, by eight years in Brazil, by four years in Haiti, and by three years in Thailand.

#### FAMILY STRUCTURE

The degradation of nuclear and extended families across all classes will produce severe social and economic dislocations with political consequences, as well. Nearly 35 million children in 27 countries will have lost one or both parents to AIDS by 2000; by 2010, this number will increase to 41.6 million. Nineteen of the hardest hit countries are in Sub-Saharan Africa, where HIV/AIDS has been prevalent across all social sectors. With as much as a third of the children under 15 in hardest-hit countries expected to comprise a "lost orphaned generation" by 2010 with little hope of educational or employment opportunities, these countries will be at risk of further economic decay, increased crime, and political instability as such young people become radicalized or are exploited by various political groups for their own ends; the pervasive child soldier phenomenon may be one example.

DESTABILIZING POLITICAL AND SECURITY  
IMPACT

In our view, the infectious disease burden will add to political instability and slow democratic development in Sub-Saharan Africa, parts of Asia, and the former Soviet Union, while also increasing political tensions in and among some developed countries.

The severe social and economic impact of infectious diseases, particularly HIV/AIDS, and the infiltration of these diseases into the ruling political and military elites and middle class of developing countries are likely to intensify the struggle for political power to control scarce state resources. This will hamper the development of a civil society and other underpinnings of democracy and will increase pressure on democratic transitions in regions such as the FSU and Sub-Saharan Africa where the infectious disease burden will add to economic misery and political polarization.

I see another colleague who wishes to speak. I will summarize why I have chosen to read at length from this intelligence report. It is very clear. The threat of these HIV/AIDS problems and other infectious diseases is not something that is separate from or different from the piece of legislation that we are looking at today. This is titled the "African Growth and Opportunity Act." It is supposed to hold out the promise not only of profit for Americans who want to trade with Africa but also genuine hope in the future for the nations of Africa and the people of the African countries.

Without a genuine attempt in this bill to begin to deal, in particular, with the HIV/AIDS problem, as well as other issues, this is a false promise, it is a hollow statement, and, I am afraid, one that could lead to a cynical response from those in Africa who will see this for what it really is: a one-sided piece of legislation that ignores one of the greatest human tragedies in human history and certainly a tragedy that completely undercuts the notion that we can have a good trading relationship with a continent that is being destroyed by such a vicious disease.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I ask unanimous consent that I might be allowed to proceed as in morning business.

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

(The remarks of Mr. BENNETT pertaining to the introduction of S. 2539 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I rise today to speak in support of the Conference Report on the Trade and Development Act of 2000. It is important to remind everyone this is the first substantive trade bill we have passed since the Uruguay Round implementation bill in 1994. It is about time. We Americans have, by far, the largest and most dynamic economy in the world. We are

the world's only superpower. We better act like one. And that means taking leadership on global trade issues and trade policy, not burying our heads in the sand. Completion of this bill is a first step. Passage of PNTR for China is another.

I would like to make several general comments about this legislation. Then I will highlight some of its major sections and explain why they are in the best interest of the United States.

In two weeks, the House is scheduled to vote on whether to extend permanent Normal Trade Relations status to China. The Senate vote will follow. I am confident that it will pass in both houses. These two pieces of legislation have a common underlying set of principles.

First, a market-based economy, the rule of law, and the reduction and elimination of barriers to foreign trade. These all lead to greater growth, both for our trade partners domestically, as well as and for the global economy.

Second, greater interchange of goods, services, investment, and people between the United States and developing countries. This leads, over the long-run, to domestic stability in those nations, and greater global stability.

Third, if the United States were to turn inward today, we would be turning our back on a global trade and economic system that has brought us to the greatest height of prosperity in the history of the world.

Although the disparities in income around the world are greater than in the past, hundreds of millions of people have been raised out of poverty over the last two decades. We need to do a lot more to ensure that people in America and people overseas are not passed over by this growth. But raising trade barriers, reversing trade liberalization, and halting our efforts to open markets around the world is not the answer. That would only worsen income disparities and increase the number of people living in poverty.

The outcome of our conference is not perfect. It never is. But the result is absolutely in our national interest.

The two major sections of the bill are the Africa Growth and Opportunity Act, and the United States-Caribbean Basin Trade Partnership Act. The Africa portion is but one step in bringing Africa into the global economic system. And in promoting development on this terribly poor continent.

Many of the problems of Africa are home grown. Many of the problems are the vestige of totally inept and irresponsible colonial rule. We can provide ways, in this case through economic development, industrial growth, and debt relief, for Africa to begin to emerge from its cycle of poverty.

The Caribbean Basin was put at a competitive disadvantage once NAFTA came into effect. This bill brings the CBI nations up to parity with Mexico. At the same time, it requires important commitments from those nations

on intellectual property rights, on WTO obligations, on participation in negotiations in the free trade area of America, on fighting the war against corruption, on respecting internationally recognized worker rights, and on protecting against the worst forms of child labor.

Under this bill, a country in Africa or the Caribbean must commit to protect internationally recognized worker rights in order to receive benefits. Congress has debated the issue of the relationship between trade and labor for years. I am very pleased we have acted in support of one of the most basic sets of human rights. I hope this is an indication that we will start making real progress in reconciling trade and labor in future trade legislation.

Let me mention several other provisions of the bill that are of particular import. I deeply regret the provision passed by this Senate to provide trade adjustment assistance for farmers was not included in the conference report. Our farmers have suffered as much as any sector of our economy. Yet they fall between the cracks in our TAA policy, and that was not the intention when trade adjustment assistance was originally conceived.

As a compromise, the Secretary of Labor must submit a report examining the applicability to farmers of trade adjustment assistance programs. Further, the Secretary must make recommendations, either to approve the operation of those programs as they apply to farmers, or to establish a new program for farmers. These provisions are utterly inadequate. I guarantee we will revisit this issue. Farmers suffering adversely from the impact of trade should be provided with the means to adjust, just as factory workers do today.

I strongly support the provision establishing a chief agricultural negotiator at USTR, with the rank of ambassador. Agriculture is at the core of our economy and our society, and our agricultural trade negotiators need this high visibility to represent American interests properly.

I might add that agriculture disparities around the world are the only major remaining trade distortion not yet addressed either in GATT or WTO. It is agriculture trade distortions which are the major remaining significant barrier to trade with which we have not yet dealt.

I am very pleased this effort includes provisions dealing with the ways we deal with products made with forced or indentured child labor. Every time I hear that phrase "forced or indentured child labor," I get chills down my spine. It bothers all of us when we hear that. This conference report also includes provisions to deal with that and it includes new eligibility criteria in the GSP, Generalized System of Preferences, regarding the elimination of the worst forms of child labor.

I wish to recognize my colleague, Senator TOM HARKIN, for his tireless efforts on behalf of the rights of children

globally. Everyone who is concerned—and we are all—with this problem should remember the name TOM HARKIN.

As has Senator HARKIN, I have traveled to some of the most inhospitable places in the world, and I have seen children working and living in conditions that would not be shown in a R-rated movie. I am proud to join him in supporting these measures.

Finally, wool tariffs. For years, there have been efforts to reduce the tariffs on the finest worsted wool. This is a complex issue affecting the manufacturers of wool suits, the manufacturers of wool fabric, the yarn spinning industry, wool growers, and retailers. The conference report provides for the temporary reduction of tariffs on a limited quantity of certain wool fabrics. It temporarily suspends the duty on certain wool yarns, fibers, and tops. And it establishes a \$9 million wool research development promotion trust fund. This fund will assist wool producers in improving the quality of wool produced in the United States and help develop and promote the wool market. I welcome this thoughtful compromise that serves all concerned groups.

In sum, I am pleased the House has passed this comprehensive and historic trade package. I strongly support it. I urge my colleagues to vote in favor of it. America is the world leader in promoting a market economy and knocking down trade barriers in order to improve the quality of life, both in our country and abroad. We need to continue this, first, by approving this conference report, and then, shortly, by approving PNTR for China.

I yield the floor.

Mr. HELMS. Mr. President, as the distinguished Majority Leader knows, I have made no secret of my opposition to the conference report to accompany H.R. 434, the so-called African Growth and Opportunity Act. And though there's no doubt that the conference report will be adopted by the Senate, I am obliged to point out that Congress is on the brink of passing legislation that accelerates the loss of a significant part of America's manufacturing base and costs numerous jobs in the beleaguered textile and apparel industry.

Let me say at the outset that I certainly am not against "African growth" or "African opportunity" or economic growth in the Caribbean Basin. But I do not believe—and will not be convinced—that U.S. trade policy should aid emerging economies at the expense of an entire domestic industry and thousands of American workers.

But make no mistake, Mr. President, that is precisely what is occurring this week in the United States Senate. Consider the evidence: The textile industry is already operating under an enormous trade deficit. For every \$6 million in apparel and fabric the industry exports, \$21 million is imported, the vast majority of which streams in from third-world countries with cheap pro-

duction costs. I don't suspect any Senator will seriously argue that H.R. 434 will do anything but dramatically increase this trade deficit.

Why is this so? Because American textile companies simply cannot compete on a playing field that isn't a level playing field. As cheap imports continue to flood the domestic market, job loss will not only continue, but increase. The media report news of our booming economy, but this so-called "boom" has left the textile and apparel industry out in the cold. As the Clinton administration crows about low unemployment, the Bureau of Labor Statistics also announced that just last month, 3,000 textile jobs were lost. Since 1994, when Congress passed the North American Free Trade Agreement, this industry alone has lost 453,000 jobs.

That's not just a statistic, Mr. President. That's 453,000 families forced to contend with the stress and displacement that accompany job loss. That's 453,000 workers forced to find new means to make their livelihood, often at lower-paying, entry level jobs for which they have little or no training.

453,000 Americans lost their job Mr. President, 70,000 of whom are North Carolinians. Let's try to put that job loss statistic into perspective. The distinguished chairman of the Finance Committee, Senator ROTH, knows that there are only 412,000 jobs in the entire state of Delaware. A senior member of his committee, Senator BAUCUS, who was a conferee on this legislation, surely is aware that there are only 389,000 total jobs in Montana. Alaska has 289,000 jobs, Wyoming has 235,000 jobs, Vermont 296,000, South Dakota 381,000 and North Dakota 325,000 jobs.

Perhaps Senators would feel differently about U.S. trade policy if all of the workers instead of their entire states lost their jobs in the last decade. Yet that's the precarious state of textile and apparel in America, Mr. President, and Congress continues to promote policies that will further erode the industry.

In the textile communities of North Carolina, where 18 plants shut down in 1999 alone, you can bet they don't talk much about the booming economy. They're talking about something else.

Last April, I held a hearing in the Foreign Relations Committee on the effects of NAFTA five years after it took effect. Among those who provided testimony was a wonderfully unassuming woman named Vontella Dabbs. Ms. Dabbs works at Delta Mills in Maiden, North Carolina, and although she was seated at the same table with Ambassador Richard Fischer and Pat Buchanan, she stole the show.

I am going to quote extensively from her testimony because it's important and it bears repeating again and again. She said the following:

I come to you not as an expert in any field, not as a politically motivated person, but simply as an American that is deeply concerned for both my future and the future of

my family and friends. I cannot quote you statistics or give you fancy computer-generated data to support some theory about foreign trade. What I can give you are honest and heartfelt feelings about what's going on in our community, as related to the foreign trade agreements and the people who work in textile plants. . . .

Today . . . modern textile companies and plants are threatened by one thing that I feel can put an end to our entire industry. This threat is that we are not being given a fair opportunity to compete with foreign business on a level playing field. Many of the well-intentioned laws, treaties, and trade agreements enacted during the past few years have made the competition between domestic and foreign textile business unfair, in favor of the foreign producers. These treaties and laws and trade agreements have not really opened up the world to American textiles, as was intended, but instead have opened our borders for foreign manufacturers to flood our country with goods produced with near slave labor in deplorable conditions for workers. These agreements have also created an incentive for American manufacturers to close the door on American manufacturing and go south to Mexico and the Caribbean to invest millions in foreign countries. And by doing this, they are putting thousands of hard-working Americans out of a job.

It's hard to argue with that, Mr. President, though I have no doubt that many of my colleagues will try to do so. I can hear them now, saying that may comparable new jobs have been created through the growth of the retail industry. To which the textile communities of North Carolina say, "Thanks for nothing." Textile jobs pay 63 percent more than retail jobs. While the average mill worker earns wages of \$440.59 a week, retail workers make only \$270.90.

Worse, the loss of textile jobs means money is drained from the economies of the hardest-hit communities, making it impossible for these towns to support this highly touted new retail employment. When the mills close, workers can't simply consult the local newspapers to get another job. Instead, they are forced to relocate, looking for those elusive retail jobs that pay barely more than half than the job they just lost, and are growing most rapidly in larger cities with a higher cost of living.

With this in mind, the last thing Congress needs to do is increase the amount of cheap imports coming into our markets. Yet this is exactly what H.R. 434 will do. Even worse, however, the bill provides the perfect loophole for Asian countries to circumvent U.S. import restrictions. No wonder many people around town are starting to refer to this legislation as the "Chinese Transshipment Bill."

Here's how Asian companies can easily conduct illegal transshipments from both African and Caribbean nations, Mr. President. Asian companies, which currently must comply with U.S. quota and duty requirements, will simply set up shop in the nations that benefit from this legislation. Once they are in operation, it's impossible to know whether garments are actually

assembled in Africa or the Caribbean or being shipped to these countries from elsewhere. Then, under the bill, they can add another \$3 billion to their current agreements with the United States.

Mr. President, these illegalities certainly won't benefit American textile companies—and it's hard to see how it does much for the African and Caribbean nations that this bill is ostensibly designed to help. Instead, it merely allows already-established Asian companies to use these nations as simple fronts for their own business. I certainly hope that's not what the Senate has in mind.

Mr. President, in my view, the decimation of one of America's most important industries is absolutely unacceptable. I do not quarrel with the contention that economic development in Africa and the Caribbean is an important objective and ultimately in America's best interest. Yet I fail to see why we must sacrifice an entire domestic industry to this international goal.

Sadly enough, the Senate is now poised to do just that. I am realistic enough to know the ultimate outcome of this debate. But I would be remiss in my duty as a Senator from North Carolina—and as an American—if I did not take a stand on behalf of the many thousands of workers who have paid—and will continue to pay—the price for a U.S. trade policy willing to countenance the destruction of the textile industry and the communities it supports.

THE PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. BROWNBACK. I thank the Chair. (The remarks of Mr. BROWNBACK pertaining to the introduction of S. 2540 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### MORNING BUSINESS

Mr. BROWNBACK. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

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

#### FIGHTING NEUROFIBROMATOSIS

Mr. KENNEDY. Mr. President, I welcome the opportunity to call the attention of the Senate to neurofibromatosis, or NF, a cruel neurological disorder that affects so many of our citizens. In the past, groups who come together to fight NF have asked Congress to designate May as "World Neurofibromatosis Awareness Month." This year, they are directing their energies to more substantive issues. I commend NF Inc. and other advocates across the nation for their leadership and their strong commitment to this cause.

NF is a genetic disorder of the nervous system that can cause tumors on

nerves anywhere in the body at any time. It is a progressive disorder that affects all ethnic groups and both sexes equally. It is one of the most common genetic disorders in the United States—affecting one in every 4,000 births.

There are two genetically distinct forms of this disorder—NF-1 and NF-2. The effects are unpredictable and have varying manifestations and degrees of severity.

NF-1 is the more common type, occurring in about 1 in 4,000 people in the United States. Symptoms include five or more light brown skin spots known as cafe-au-lait macules, as well as tumors that can grow on the eyes or spine. In most cases, the symptoms are mild and people can live normal and productive lives. In some cases, however, NF-1 can be severely debilitating.

NF-2 is less common, affecting about 1 in 40,000 people, and much more severe. Tumors grow near the auditory nerve and often cause pressure on other nerves in the head and the body. Tumors also grow on the spine, and attack the central nervous system. People with NF-2 often experience deafness, frequent headaches and facial pain, facial paralysis, cataracts, and difficulty with balance.

There is no known cure for either form of the disorder, even though the genes for both NF-1 and NF-2 have been identified. Currently, NF has no treatment, other than the surgical removal of tumors, which sometimes grow back.

The disorder is not infectious. Only half of those affected with it have a prior family history of NF. If someone does not have NF, they cannot pass it on to their children.

Talented researchers across the country are making impressive strides in finding a cure for this serious disorder. Thanks in great part to the research sponsored by the National Institute of Neurological Disorders and Stroke at NIH, scientists have already identified the two genes that cause NF, and significant progress in developing new treatments is being made.

Much of the cutting-edge research on NF is being performed at the NF Clinic at Massachusetts General Hospital in Boston, which was founded in 1982 by Dr. Robert Martuza. It was one of the first clinics to recognize the unique multi-disciplinary problems that NF patients and their families face—and the vital role that a dedicated clinic plays in the research community. The McLain Hospital in Belmont, Massachusetts also has a vital role in supporting important research, particularly for NF-2.

One of the most difficult aspects of having NF, or caring for a patient with NF, is not knowing what the future will bring. Our lack of knowledge about the cause of the tumors associated with the disorder also makes the evaluation of potential therapies difficult. In association with Children's Hospital of Boston and the House Ear Institute

in Los Angeles, the NF Clinic at MGH is participating in an international study to define the types of tumors most commonly associated with NF.

Congress has a responsibility to provide these dedicated medical professionals and researchers with the resources and support necessary to continue their lifesaving work. President Clinton has asked for increased funding to fight this disorder and many other neurological illnesses.

We must also ensure that a person's genetic information cannot be used as a basis for discrimination. To receive appropriate care for NF, patients must have access to genetic tests, free from the concern that the results of those tests will be used to discriminate against them in any way.

I commend the dedicated researchers and physicians across the country for their commitment to this important issue, and I commend advocates like NF Inc. for their leadership. I look forward to rapid progress in the years ahead, and I am confident that Congress and the Administration will do as much as possible to support their all-important efforts. Together, we can cure NF.

#### THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, May 9, 2000, the Federal debt stood at \$5,662,962,880,861.72 (Five trillion, six hundred sixty-two billion, nine hundred sixty-two million, eight hundred eighty thousand, eight hundred sixty-one dollars and seventy-two cents).

Five years ago, May 9, 1995, the Federal debt stood at \$4,853,700,000,000 (Four trillion, eight hundred fifty-three billion, seven hundred million).

Ten years ago, May 9, 1990, the Federal debt stood at \$3,075,888,000,000 (Three trillion, seventy-five billion, eight hundred eighty-eight million).

Fifteen years ago, May 9, 1985, the Federal debt stood at \$1,741,509,000,000 (One trillion, seven hundred forty-one billion, five hundred nine million).

Twenty-five years ago, May 9, 1975, the Federal debt stood at \$515,471,000,000 (Five hundred fifteen billion, four hundred seventy-one million) which reflects a debt increase of more than \$5 trillion—\$5,147,491,880,861.72 (Five trillion, one hundred forty-seven billion, four hundred ninety-one million, eight hundred eighty thousand, eight hundred sixty-one dollars and seventy-two cents) during the past 25 years.

#### ADDITIONAL STATEMENTS

##### A TRIBUTE TO WASHINGTON STATE UNIVERSITY PRESIDENT SAMUEL H. SMITH

• Mrs. MURRAY. Mr. President, I rise today to honor the long and exemplary service of Washington State University (WSU) President Samuel H. Smith and his wife Pat Smith.

Samuel Smith has served as President of WSU since July of 1985, and he will be retiring at the end of the month.

Under Dr. Smith's leadership, the University has prospered. During his tenure, he strengthened the undergraduate and graduate curricula and worked to increase opportunities for women and minorities.

As a result of President Smith's work, many programs at WSU have received national and worldwide recognition.

President Smith deserves special honor for expanding the number of people who benefit from the University's educational system and for bringing education at WSU into the Information Age.

Dr. Smith established branch campuses of WSU in Vancouver, the Tri-Cities, and in Spokane, opening the doors of higher education to an even greater number of Washingtonians.

These branch campuses serve transition communities, helping people build the skills and training they need to succeed in today's workplace. Their lives are improving thanks to Dr. Smith's vision.

Dr. Smith was also instrumental in expanding educational opportunities to remote areas through WSU's innovative distance-learning programs.

One of the clearest examples of the way WSU has grown during Dr. Smith's tenure is the fact that more than one-third of all WSU graduates in the University's history were granted degrees by President Smith.

Dr. Smith has also been a member of and a leader in many national educational organizations. He is the Chair of the National Association of State Universities and Land-Grant Colleges Board of Directors for 2000. He is also a member of the Kellogg Commission on the Future of State and Land-Grant Universities.

He is a member of the Board of Trustees of the Western Governors University. He has also served as Chair of the Executive Committee of the National Collegiate Athletic Association. For his exemplary service, Dr. Smith has received many honors and awards for his work in these organizations.

President Smith is a native of Salinas, California, and holds bachelor's and doctoral degrees in plant pathology from the University of California at Berkeley and honorary doctoral degrees from Nihon University in Tokyo, Japan, and Far Eastern State University in Vladivostok, Russia.

Mr. President, I also want my colleagues to know that Pat Smith has been an instrumental figure in the growth of Washington State University.

From her position on the Washington State Arts Commission, she worked to expand the art collection and increase awareness of the WSU Museum of Art. She also serves on the boards of the Girl Scouts of the Inland Northwest and the United Way of Pullman, Washington.

Mrs. Smith is also from Salinas, California, and is a graduate of Salinas Union High School. She studied at Hartnell College in Salinas, California.

Mr. President, as a citizen of Washington state and as an alumna of Washington State University, I could not be more proud of the great job that President Smith and Pat Smith have done in expanding educational opportunities for the people of my state and nation and making my alma mater an even brighter beacon of learning and opportunity.

Mr. President, in closing I would like to say—on behalf of the people of my state and the many graduates, faculty members and current students of Washington State University—thank you President and Mrs. Smith.

Thank you for putting your compassion, energy and leadership to such good use at the helm of Washington State University.

Your presence will be missed, but the many gifts you gave us serve as a constant reminder of your many years of generous service.●

#### THE HONORABLE Nanci J. Grant RECEIVES ELEANOR ROOSEVELT HUMANITIES AWARD

● Mr. ABRAHAM. Mr. President, each year, the Attorney Division of State of Israel Bonds honors two individuals with the Eleanor Roosevelt Humanities Award. Recipients of this award are recognized for their contributions to the legal profession as well as their outstanding service to humanity in the spirit and ideals of Mrs. Roosevelt. I rise today to recognize the Honorable Barry M. Grant and the Honorable Nanci J. Grant, who will both receive the Eleanor Roosevelt Humanities Award on May 16, 2000, in Southfield, Michigan.

The Honorable Nanci J. Grant is the Presiding Judge of General Jurisdiction for the Oakland County Circuit Court. She was elected to this position in November of 1996 and took office on January 1, 1997. Judge Grant is a graduate of the University of Michigan and Wayne State University Law School. Prior to joining the bench, she was a trial attorney with the law firm of Dickinson, Wright, Moon, VanDusen & Freeman, and served as a researcher, Friend of the Court intern, arbitrator and mediator for the Oakland County Circuit Court.

Judge Grant is a member of the Executive Committee of the Michigan Judges Association, and co-chairs the Rules Committee. By gubernatorial appointment, Judge Grant represents all Michigan circuit court judges on the State Community Corrections Board. She is an advisory board member of the Michigan Judicial Institute, the teaching arm of the Michigan Supreme Court. Judge Grant is also a member of the National Association of Women Judges, the American Bar Association, the Oakland County Bar Association, the Women's Bar Association, Amer-

ican Judges Association, and the University of Michigan Alumni Association.

In addition, Judge Grant has dedicated much of her time to the improvement of the Oakland County Community. She is a member of the Michigan Cancer Foundation, and has served as a member of Common Ground Advisory Board, the Rotary Club of Birmingham, and Bloomfield Youth Assistance. She is a board member of the Women's Survival Center, and a Director of the Women's Officials Network. She also has served on the Partners Executive Committee, and was a member of the Citizens Alliance of the Probate Court, where she served as chairperson of the Information and Advocacy Committee.

Judge Grant has often been awarded for her many endeavors, both charitable and professional. The monthly magazine, *Hour Detroit*, named her as one of the new leaders in the Detroit metropolitan area. She was selected by *Crain's Detroit Business* magazine as one of the "40 under 40," a select group of forty of Metro Detroit's best and brightest residents under the age of forty. In addition, Judge Grant has been elected as an "Outstanding Young Woman of America."

Mr. President, I applaud the Honorable Nanci M. Grant on her many achievements, both within the realm of the law and outside of that realm. I am sure that the Eleanor Roosevelt Humanities Award will hold a special place among her many recognitions. On behalf of the entire United States Senate, I congratulate Judge Grant on receiving this award, and wish her continued success in the future.●

#### 50TH ANNIVERSARY OF THE NATIONAL SCIENCE FOUNDATION

● Mr. SARBANES. Mr. President, I rise today to commemorate the 50th anniversary of the National Science Foundation, an institution that has served as a driving force behind the Nation's scientific and technological development.

The National Science Foundation's roots can be found at the close of World War II, when President Franklin D. Roosevelt requested a report from the government's wartime Office of Scientific Research and Development outlining how the United States should support scientific research in the post-war era. The resulting report, *Science—The Endless Frontier*, authored by Vannevar Bush, made the case for the establishment of a National Research Foundation and legislation based upon his findings was introduced by Senator Warren Magnuson of Washington. After five years of deliberation in the Congress, President Harry S. Truman signed legislation creating the National Science Foundation on May 10, 1950. Since that day, NSF has played a vital role in maintaining America's leadership position in scientific discovery and the development of new technologies, securing the

nation's defense and promoting the nation's health and prosperity.

Over the past 50 years, NSF-funded research has led to numerous scientific breakthroughs that have impacted the lives of every one of us. This research has resulted in projects and initiatives that include the development of the Internet, Doppler Radar, the American Sign Language Dictionary, DNA fingerprinting, MRI technology, barcodes, the identification of the Hanta Virus, and the discovery of the weather pattern known as El Nino/La Nina. This research has been responsible for creating new industries relating to communications, biotechnology, agriculture, and other important sectors of our economy. In turn, these industries have resulted in greater employment opportunities, economic prosperity and an improved quality of life for Americans and citizens around the world.

NSF funds support the work and research of almost 200,000 people, including teachers, students, researchers, post-doctorates, and trainees. In fact, researchers and educators from each of the 50 states and all U.S. territories have been allotted NSF funding in the form of competitively awarded, grants, contracts and cooperative agreements. Almost 40% of the funding for research grants is awarded to our nation's students and researchers, providing support for more than 61,000 post-doctorates, trainees and graduates and undergraduate students. These are the individuals who will carry on the critical mission of NSF into the 21st century.

The work undertaken by NSF researchers has not gone unnoticed. NSF-supported researchers have been the recipients of numerous awards and honors. More than 100 of these researchers have been awarded Nobel Prizes in fields that include physics, chemistry, physiology and economics. NSF researchers have also been awarded the National Medal of Science, National Medal of Technology, the Waterman, the Draper, the Presidential Early Career Awards in Science and Engineering and the Career awards, to name a few.

I want to commend the men and women who have worked for NSF and received support from NSF who have contributed incalculably to the efforts that have established the United States as the leader in scientific and technological innovation and I want to recognize the outstanding leadership of the current Director of the National Science Foundation, Dr. Rita Colwell, in this regard. I urge my colleagues to join with me in commending NSF on this important occasion and wishing them continued success in the years ahead.●

#### RECOGNITION OF THE INDEX SCHOOL DISTRICT FOR THEIR INNOVATION IN EDUCATION

● Mr. GORTON. Mr. President, I would like to acknowledge a very unique

school district in a forested area of Washington State. The Index School District may be small in size but if measured by the creativity and dedication of its teachers, staff, and parents, it would be one of the largest districts in Washington state.

Index School District is one of the smallest in the state, with only 35 students from preschool to 7th grade. Because of the district's size and location in a rural area, the district has constantly struggled to find funding that could boost student achievement. Index's Superintendent and Principal, Martin Boyle, took the funding challenges head on and has worked tirelessly to find money for Index's students through federal grants and a \$298,208 bond levy that was passed in 1998. After four years of hard work, the Index School District has become a model for other schools.

Improving student reading levels was one of the first goals Boyle and his colleagues accomplished. The district hired a reading specialist and with the help of parents and local volunteers, reading levels have soared. Recently, Boyle started a new mentor reading program called, "Help One Student to Succeed." He hopes it will get parents involved in teaching their children to read, as well as a new way to promote and innovate reading skills, advancing student reading levels by an even greater margin.

Index School District's includes 20 staff members and 5 board members who work tirelessly for their students and are constantly brainstorming new activities and new programs that will help their students learn. They have even started an after-school program for children who in the past, were sitting outside waiting for their parents' workday to end. Students now use this extra time to participate in fun activities that reinforce classroom curriculum.

In addition, last summer, the district implemented the Index Elementary Summer School Program where students take part in hands on art and cultural activities. Students also visit art museums and theaters, as well as travel to other parts of the state for hiking and camping activities, giving children opportunities to learn and challenge their knowledge outside the classroom.

Many students at Index also depend on their school as a home away from home, relying on the school for three meals a day. While a majority of students qualify for free and reduced lunches, the staff of Index understands the importance of meals for their students and have made it a priority to create and fund a food program which was recognized with a "Children's Alliance Award."

The innovation and commitment of the Index School District's staff is truly inspiring. Clearly, the children are succeeding in the classroom and will be ready to take on any challenge. I think it is uplifting to hear that the

power of a few can empower many, as the educator's of Index have done. Every local school district is unique. I hope that highlighting Index with my "Innovation in Education" Award will show others that wonderful things happen when you put children first.●

#### 75TH ANNIVERSARY OF THE SALVATION ARMY IN BENTON HARBOR, MICHIGAN

● Mr. ABRAHAM. Mr. President, I rise today in honor of the Salvation Army in Benton Harbor, Michigan, which on May 20-21, 2000, will celebrate its 75th Anniversary. This event will conclude a very special week for the organization, as May 15-21, 2000, is also National Salvation Army Week, during which Americans have the opportunity to salute an organization that does so many things for so many people around the world.

Mr. President, the mission of the movement remains the same as it was in 1865, when William and Catherine Booth formed an evangelical group, and preached to people living in poverty on the east side of London: to preach the gospel of Jesus Christ and to meet human needs in His name without discrimination. The organization, officially titled the Salvation Army in 1878, and its many adherents, soldiers, officers, and volunteers, remain dedicated to caring for the poor, feeding the hungry, clothing the naked, loving the unlovable, and befriending those who have no friends.

In its 135 years, the Salvation Army has expanded from this small coalition of individuals in London into a multifaceted, global organization. Its outreach currently extends to over 100 countries, and the Gospel is preached by its officers and soldiers in 160 languages. Each year, the organization assists over 27 million individuals. In the United States alone, there are 1.7 million volunteers, 470,000 Salvationists, 5,339 officers, and 43,000 employees serving the Salvation Army.

Amid such statistics I fear it is easy to overlook the essential fact that the foundation of the Salvation Army lies at the community level. It is an organization based in communities, whose volunteers, officers and employees are primarily concerned with helping members of their own community in the name of Jesus Christ. Whether it be through summer camps, day care centers, services for senior citizens, shelters for battered wives and children, drug rehabilitation, or family and career counseling, where there is a Salvation Army, there are people working hard to improve their community.

With this in mind, Mr. President, I applaud the officers, Salvationists, volunteers and employees of the Salvation Army in Benton Harbor, whose efforts over the years have had made this anniversary possible. On behalf of the entire United States Senate, I wish the Salvation Army in Benton Harbor a happy 75th birthday, and continued success in the future.●



# TRIBUTE TO MARY MIDDLETON

• Mr. MCCONNELL. Mr. President, I rise today to congratulate Mary Middleton of Covington, Kentucky, for receiving the Friends of Covington Award for Outstanding Community Service.

Mary is a devoted civic leader and volunteer in Covington and throughout Kenton County. She gives her time and energy to numerous activities at church, and has provided leadership for several Northern Kentucky organizations. Mary helped found the Northern Kentucky Interfaith Commission and was the first president of the area's Salvation Army Auxiliary. In her many years of service to the community, she also was president of the Covington Art Club, Booth Hospital Auxiliary, Church Women United, and the Mary Circle of the Gloria Dei Lutheran Church.

Mary's kindness and generosity does not end there—she also has been involved with the Heritage League, Northern Kentucky Symphony, Women's Health Initiative, American Cancer Society, Florence Women's Club, and the Friends of Covington.

Aside from being involved in civic and philanthropic activities, Mary has long been an active member of the Northern Kentucky Republican Party and a driving force for Kentucky's Republican women. Back in the 1960s, Mary helped found the Kenton County Republican Women's Club and continues her work there today.

Mary also deserves credit for the many successes in her personal life. She and Clyde have been happily married for many, many years and have showed enormous strength of character and have a marriage that is an example to us all.

My colleagues and I join in congratulating you, Mary, on yet another fine achievement and we thank you for the time and effort you have put into others lives. I know the people of Northern Kentucky will continue to benefit from your generosity for many years to come.●

## CONGRATULATING WESTMINSTER CHRISTIAN ACADEMY IN THE WE THE PEOPLE . . . THE CITIZEN AND THE CONSTITUTION NATIONAL FINALS

• Mr. ASHCROFT. Mr. President, it is my pleasure to congratulate the class from Westminster Christian Academy in St. Louis that represented the state of Missouri in the We the People—The Citizen and the Constitution national finals in Washington, D.C., during May 6–8, 2000. These young scholars worked diligently to reach the national finals, where they received honorable mention. Through this experience they have gained a deep knowledge and understanding of the fundamental principles and values of our constitutional democracy.

I would like to recognize Rebekah Baxter, Anna-Grace Claassen,

Samantha Denny, Jonathan Friz, Joseph Goldkamp, Nick Gustafson, Tim Ivancic, Aaron Johnson, Melissa Millar, Sarah Munson, John Murphy, Steve Ottolini, Nick Pavlenko, Dawn Piehl, Rodney Schnellbacher, Michelle Stanford, Lindsey Vehlewald and Kristen Walle and their teacher Ken Boesch.

The We the People . . . The Citizen and the Constitution program is an extensive educational program developed specifically to educate young people about the Constitution and the Bill of Rights. The three-day national competition is modeled after hearings in the U.S. Congress. These hearings consist of oral presentations by high school students before a panel of adult judges. The students testify as constitutional experts before a panel of judges representing various regions of the country and a variety of appropriate fields. The students' testimony is followed by a period of questioning by the simulated congressional committee. The judges probe students for their depth of understanding and ability to apply their constitutional knowledge.

I would like to congratulate the class from Westminster Christian Academy on their exemplary performance at the We the People . . . national finals. I wish these young "constitutional experts" from Missouri the best of luck in their future endeavors.●

## THE HONORABLE BARRY M. GRANT RECEIVES ELEANOR ROOSEVELT HUMANITIES AWARD

• Mr. ABRAHAM. Mr. President, each year, the Attorney Division of State of Israel Bonds honors two individuals with the Eleanor Roosevelt Humanities Award. Recipients of this award are recognized for their contributions to the legal profession as well as their outstanding service to humanity in the spirit and ideals of Mrs. Roosevelt. I rise today to recognize the Honorable Barry M. Grant and the Honorable Nanci J. Grant, who will both receive the Eleanor Roosevelt Humanities Award on May 16, 2000, in Southfield, Michigan.

The Honorable Barry M. Grant has been an Oakland County Probate Judge since 1977, currently serving as the Chief Judge Pro Tem for the county's probate court. He received his graduate degree from Michigan State University and his law degree from Wayne State University, with postgraduate work at Northwestern University and Harvard Law School. Prior to becoming a Judge, he was a practicing attorney, having started his career as a clerk in the Probate Court and later serving as Assistant Prosecuting Attorney.

Judge Grant is President of the National College of Probate Judges and Editor of their national publication. He serves as the Secretary of the Judicial Tenure Commission and was the Chairman of that organization in 1992 and 1993. He has served as Secretary, Treas-

urer and President of the Michigan Judges Association and was President of the Oakland County Judges Association. Judge Grant has been on several gubernatorial commissions including the Governor's Traffic Safety Commission and the Strategic Planning Commission for programs for the mentally ill. In addition, Judge Grant authors a weekly column in The Detroit News, helping to keep many Michigan residents abreast of current issues involving the law.

In addition, Judge Grant dedicates much of his time to the Oakland County Community. He has served as Treasurer of the Southfield Board of Education, was a member of the Parent Youth Guidance Commission, is on the Board of Trustees of William Beaumont Hospital, and is a Director of the Boys Scouts of America, Clinton Valley Council. He has served as a Director of the Oakland County Chapters of the American Cancer Association, the Michigan Cancer Foundation and the March of Dimes. He is also on the board of the YMCA of Oakland County and is a Director of the Oakland County Youth Assistance Advisory Council.

Mr. President, I applaud the Honorable Barry M. Grant on his many personal achievements within the realm of the law and his many charitable endeavors outside of that realm. Not only Oakland County, but the entire State of Michigan, has benefitted from his great works. On behalf of the entire United States Senate, I congratulate Judge Grant on receiving the Eleanor Roosevelt Humanities Award. He is certainly deserving of the honor.●

## MESSAGE FROM THE HOUSE

At 1:57 p.m. a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2647. An act to amend the Act entitled "An Act relating to the water rights of the Ak-Chin Indian Community" to clarify certain provisions concerning the leasing of such water rights, and for other purposes.

H.R. 3244. An act to combat trafficking of persons, especially into the sex trade, slavery, and slavery-like conditions in the United States and countries around the world through prevention, through prosecution and enforcement against traffickers, and through protection and assistance to victims of trafficking.

H.R. 3293. An act to amend the law that authorized the Vietnam Veterans Memorial to authorize the placement within the site of the memorial of a plaque to honor those Vietnam veterans who died after their service in the Vietnam war, but as a direct result of that service.

H.R. 3313. An act to amend section 119 of the Federal Water Pollution Control Act to reauthorize the program for Long Island Sound, and for other purposes.

H.R. 4040. An act to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees, and for other purposes.

H.R. 4365. An act to amend the Public Health Service Act with respect to children's health.

H.R. 4386. An act to amend title XIX of the Social Security Act to provide medical assistance for certain women screened and found to have breast or cervical cancer under a federally funded screening program, to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act with respect to surveillance and information concerning the relationship between cervical cancer and the human papillomavirus (HPV), and for other purposes.

#### MEASURES REFERRED

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

H.R. 2647. An act to amend the Act entitled "An Act relating to the water rights of the Ak-Chin Indian Community" to clarify certain provisions concerning the leasing of such water rights, and for other purposes; to the Committee on Indian Affairs.

H.R. 3293. An act to amend the law that authorized the Vietnam Veterans Memorial to authorize the placement within the site of the memorial of a plaque to honor those Vietnam veterans who died after their service in the Vietnam war, but as a direct result of that service; to the Committee on Energy and Natural Resources.

H.R. 4040. An act to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees, and for other purposes; to the Committee on Governmental Affairs.

H.R. 4365. An act to amend the Public Health Service Act with respect to children's health; to the Committee on Health, Education, Labor, and Pensions.

#### MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second time, and placed on the calendar:

H.R. 3313. An act to amend section 119 of the Federal Water Pollution Control Act to reauthorize the program for Long Island Sound, and for other purposes.

#### MEASURE READ THE FIRST TIME

The following bill was read the first time:

H.R. 4386. An act to amend title XIX of the Social Security Act to provide medical assistance for certain women screened and found to have breast or cervical cancer under a federally funded screening program, to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act with respect to surveillance and information concerning the relationship between cervical cancer and the human papillomavirus (HPV), and for other purposes.

#### EXECUTIVE AND OTHER COMMUNICATIONS

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

EC-8920. A communication from the Under Secretary of Defense, Acquisition and Tech-

nology, transmitting, pursuant to law, a report of the assessment of the current program for destruction of the United States' stockpile of chemical agents and munitions; to the Committee on Armed Services.

EC-8921. A communication from the Under Secretary of Defense, Acquisition and Technology, transmitting, pursuant to law, a report of the status of the acquisition and support workforce; to the Committee on Armed Services.

EC-8922. A communication from the Assistant Secretary of Defense, Force Management Policy transmitting, pursuant to law, the annual report of the Armed Forces Retirement Home for fiscal year 1999; to the Committee on Armed Services.

EC-8923. A communication from the Assistant Secretary of Defense, Health Affairs transmitting, pursuant to law, a report relative to collections from third-party payers for each military treatment facility; to the Committee on Armed Services.

EC-8924. A communication from the Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "Family and Medical Leave Act" (RIN3206-AI35), received May 9, 2000; to the Committee on Governmental Affairs.

EC-8925. A communication from the Executive Director, Committee for Purchase from People who are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule relative to additions to the Procurement List, received May 9, 2000; to the Committee on Governmental Affairs.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 442: A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *LOOKING GLASS* (Rept. No. 106-281).

S. 1261: A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *YANKEE* (Rept. No. 106-282).

S. 1613: A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *VICTORY OF BURHNAM* (Rept. No. 106-283).

S. 1614: A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *LUCKY DOG* (Rept. No. 106-284).

S. 1615: A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *ENTERPRIZE* (Rept. No. 106-285).

S. 1779: A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *M/V SANDPIPER* (Rept. No. 106-286).

S. 1853: A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *FRITHA* (Rept. No. 106-287).

By Mr. COCHRAN, from the Committee on Appropriations, without amendment:

S. 2536: An original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending

September 30, 2001, and for other purposes (Rept. No. 106-288).

By Mr. BOND, from the Committee on Small Business, with an amendment in the nature of a substitute:

H.R. 2392: A bill to amend the Small Business Act to extend the authorization for the Small Business Innovation Research Program, and for other purposes (Rept. No. 106-289).

#### 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 Ms. COLLINS (for herself, Mr. FEINGOLD, Mrs. MURRAY, Mr. ABRAHAM, Mr. WELLSTONE, Mr. HUTCHINSON, Mr. DORGAN, Mr. GRAMS, Mr. BINGAMAN, Mr. L. CHAFEE, Mr. ENZI, and Ms. SNOWE):

S. 2528. A bill to provide funds for the purchase of automatic external defibrillators and the training of individuals in advanced cardiac life support; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. LINCOLN:

S. 2529. A bill to suspend temporarily the duty on Pigment Orange 73; to the Committee on Finance.

By Mrs. LINCOLN:

S. 2530. A bill to suspend temporarily the duty on Pigment Yellow 184; to the Committee on Finance.

By Mrs. LINCOLN:

S. 2531. A bill to suspend temporarily the duty on Pigment Red 255; to the Committee on Finance.

By Mrs. LINCOLN:

S. 2532. A bill to suspend temporarily the duty on Solvent Yellow 145; to the Committee on Finance.

By Mrs. LINCOLN:

S. 2533. A bill to suspend temporarily the duty on Pigment Red 264; to the Committee on Finance.

By Mrs. LINCOLN:

S. 2534. A bill to suspend temporarily the duty on Pigment Yellow 168; to the Committee on Finance.

By Mrs. LINCOLN:

S. 2535. A bill to suspend temporarily the duty on Pendimethalin; to the Committee on Finance.

By Mr. COCHRAN:

S. 2536. An original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2001, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. JEFFORDS (for himself, Mr. ALLARD, Mr. BINGAMAN, Mr. KENNEDY, and Mr. LEAHY):

S. 2537. A bill to amend title 10, United States Code, to modify the time for use by members of the Selected Reserve of entitlement to certain educational assistance; to the Committee on Armed Services.

By Mr. ROCKEFELLER (for himself, Mr. ROBB, and Mr. DURBIN):

S. 2538. A bill to amend the Internal Revenue Code of 1986 to maintain retiree health benefits under the Coal Industry Retiree Health Benefit Act of 1992; to the Committee on Finance.

By Mr. REID (for himself, Mr. BENNETT, Mr. DASCHLE, Mr. KERRY, Mrs. MURRAY, Mr. BINGAMAN, Mr. KENNEDY, Mrs. BOXER, Mr. ABRAHAM, and Mr. GRAMS):

S. 2539. A bill to amend the National Defense Authorization Act for Fiscal Year 1998

with respect to export controls on high performance computers; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BROWNBACK (for himself, Mr. KERREY, and Mr. MURKOWSKI):

S. 2540. A bill to amend the Food Security Act of 1985 to require the Secretary of Agriculture to establish a carbon sequestration program to permit owners and operators of land to enroll the land in the program to increase the sequestration of carbon, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DASCHLE (for himself, Mr. MOYNIHAN, Mr. KENNEDY, Mr. AKAKA, Mr. BAUCUS, Mr. BIDEN, Mr. BINGAMAN, Mrs. BOXER, Mr. BRYAN, Mr. BYRD, Mr. CLELAND, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. HARKIN, Mr. HOLLINGS, Mr. INOUE, Mr. JOHNSON, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mrs. LINCOLN, Ms. MIKULSKI, Mrs. MURRAY, Mr. REED, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SCHUMER, and Mr. WELLSTONE):

S. 2541. A bill to amend title XVIII of the Social Security Act to provide a prescription drug benefit for the aged and disabled under the medicare program, to enhance the preventative benefits covered under such program, and for other purposes; to the Committee on Finance.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. COLLINS (for herself, Mr. FEINGOLD, Mrs. MURRAY, Mr. ABRAHAM, Mr. WELLSTONE, Mr. HUTCHINSON, Mr. DORGAN, Mr. GRAMS, Mr. BINGAMAN, Mr. L. CHAFEE, Mr. ENZI, and Ms. SNOWE):

S. 2528. A bill to provide funds for the purchase of automatic external defibrillators and the training of individuals in advanced cardiac life support; to the Committee on Health, Education, Labor, and Pensions.

##### RURAL ACCESS TO EMERGENCY DEVICES ACT

Ms. COLLINS. Mr. President, today I am pleased to join my friend from Wisconsin, Senator FEINGOLD, in introducing the Rural Access to Emergency Devices Act of 2000, which is intended to improve access to automated external defibrillators in small communities to boost the survival rates of individuals who suffer cardiac arrest.

We are very pleased to be joined in introducing this legislation by the following cosponsors: Senators MURRAY, ABRAHAM, WELLSTONE, HUTCHINSON, DORGAN, GRAMS, BINGAMAN, CHAFEE and ENZI.

Heart disease is the leading cause of death both in the State of Maine and nationwide. According to the American Heart Association, an estimated 250,000 Americans die each year from cardiac arrest. Many of these deaths could be prevented if AEDs were more accessible. AEDs are computerized devices that can shock a heart back into the normal rhythm and restore life to a cardiac arrest victim. They must, however, be used promptly. For every minute that passes before a victim's normal heart rhythm is restored, his or

her chance of survival falls by as much as 10 percent.

We have a number of new and improved technologies in our arsenal of weapons to fight heart disease, including a new generation of small, easy-to-use AEDs that can strengthen the chances of survival. These new devices make it possible not only for emergency medical personnel, but also trained lay rescuers, to deliver defibrillation safely and effectively. The new AEDs are safe, effective, lightweight, low maintenance, and relatively inexpensive. Moreover, they are specifically designed so they can be used by nonmedical personnel, such as police, firefighters, security guards, and other lay rescuers, providing they have been trained properly.

According to the American Heart Association, making AEDs standard equipment in police cars, firetrucks—as I know the Presiding Officer has done in his hometown—ambulances, and other emergency vehicles, and getting these devices into more public places could save more than 50,000 lives a year.

Last December, the Bangor Mall installed an AED that is one of the first of these devices in Maine to be placed in a public setting outside the direct control of emergency medical personnel and hospital staff. Both the AED and an oxygen tank are kept inside a customer service booth, which is in an area of the mall where there is a high concentration of traffic and where heart emergencies might occur. Mall personnel have also received special training and, during mall hours, there is always at least one person who has been certified in both CPR and defibrillator use.

For at least one Bangor woman, this has been a lifesaver. On January 12th, just weeks after the AED was installed, two shoppers at the Mall collapsed in a single day. One was given oxygen and quickly revived. But the other shopper was unconscious and had stopped breathing. The trained mall staff—Maintenance Supervisor Larry Lee, Security Chief Dusty Rhodes, and General Manager Roy Daigle—were only able to detect a faint pulse. They quickly commenced CPR and attached the AED.

It is important to note that defibrillation is intended to supplement, not replace standard CPR. These devices, which are almost completely automated, run frequent self-diagnostics and will not allow the administration of shock unless the victim's recorded heart pattern requires it. When the AED is attached, it automatically analyzes the victim's vital signs. One of two commands will then be voiced and displayed by the unit: "Shock advised—charging"; or "Shock not advised—continue CPR."

In the Bangor Mall case, the shock was not advised, so CPR was continued until the emergency medical personnel arrived. The EMT's told Mr. Daigle, the General Manager of the mall, that the

woman—who had had a heart attack and subsequently required triple bypass surgery—simply would not have survived if they had not been so prepared. As Mr. Daigle observed, "Twelve to fifteen minutes is just too long to wait for the emergency services to arrive."

Cities across America have begun to recognize the value of fast access to AEDs and are making them available to emergency responders. In many small and rural communities, however, limited budgets and the fact that so many rely on volunteer organizations for emergency services can make acquisition and appropriate training in the use of these life-saving devices problematic.

The legislation that Senator FEINGOLD and I are introducing today is intended to increase access to AEDs and trained local responders for smaller towns and rural areas in Maine and elsewhere where those first on the scene may not be paramedics or others who would normally have AEDs. Our bill provides \$25 million over three years, to be given as grants to community partnerships consisting of local emergency responders, police and fire departments, hospitals, and other community organizations. This money could then be used to help purchase AEDs and train potential responders in their use, as well as in basic CPR and first aid.

I commend the leadership of the Senator from Wisconsin for coming forth with this idea. I am very pleased to join him in introducing this important legislation.

The Rural Access to Emergency Devices Act has been endorsed by both the American Heart Association and the American Red Cross as a means of expanding access to these lifesaving devices across rural America. I urge all of our colleagues to join us as cosponsors of the bill.

I ask unanimous consent that letters of support from both the American Heart Association and their Maine affiliate be printed in the RECORD.

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

AMERICAN HEART ASSOCIATION,  
Augusta, ME, May 3, 2000.

Hon. SUSAN M. COLLINS,  
U.S. Senate, Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR COLLINS: The State Advocacy Committee of the American Heart Association in Maine commends you for your leadership in sponsoring the "Rural Access to Emergency Devices (AED) Act." As volunteer advocates for the American Heart Association, we are pleased that you have recognized that the placement of AEDs with trained, local, first responders, such as fire and rescue departments, paramedics, police departments and community hospitals in rural areas will make a difference in a person's chances of surviving a sudden cardiac arrest. We are also proud that this bill is being sponsored by a Maine Senator.

Heart disease is the leading cause of death in the state of Maine, as well as the nation. Early defibrillation is the only known therapy for most cardiac arrests. Each minute of

delay in returning the heart to its normal pattern of beating decreases the chance of survival by 7% to 10%. As you well know, Maine's population is dispersed over a large geographical, mostly rural, area. The Emergency Medical Services in our state are excellent, but travel times within rural communities can occasionally be too long to benefit the patient in cardiac arrest. The availability of AEDs and trained local responders should improve the chain of survival for these victims of sudden cardiac arrest. The American Heart Association estimates that the sudden cardiac arrest survival rate can improve from only 5% to 20% when AEDs and trained rescuers are readily available within communities.

Thank you, Senator Collins, on behalf of the residents of Maine and our fellow citizens in other rural states.

Sincerely yours,

GAYLE RUSSELL, RN, BSN,  
*Chair, Maine State Advocacy Committee.*

AMERICAN HEART ASSOCIATION,  
*Washington, DC, April 27, 2000.*

Hon. SUSAN COLLINS,  
Hon. RUSSELL FEINGOLD,  
*U.S. Senate,*  
*Washington, DC.*

DEAR SENATORS COLLINS AND FEINGOLD: The American Heart Association applauds your commitment to saving lives and thanks you for your introduction of the "Rural Access to Emergency Devices (AED) Act." The legislation will help improve cardiac arrest survival rates across rural America.

As you know, heart disease is the leading cause of death in this country. Cardiac arrest, whereby the electrical rhythms of the heart malfunction, causes the sudden death of more than 250,000 people every year. We are fighting this killer with improved technology, including automated external defibrillators (AEDs). These small, easy-to-use devices can shock a heart back into normal rhythm and restore life to a cardiac arrest victim. But, they must be used promptly. We have to act quickly because for every minute that passes before a victim's normal heart rhythm is restored, his or her chance of survival falls by as much as 10 percent.

Cities across America have begun to recognize the value of fast access to these devices and are making them available to emergency responders. The Rural AED Act recognizes that we cannot and should not leave rural communities behind in this fight to improve survival. Because the first emergency responders on the scene of a cardiac arrest may not always be the medical responders, the Rural AED Act makes resources available to rural communities to purchase AEDs for police and fire as well as emergency responder vehicles. In addition, it provides resources to train these responders in the use of the devices. The bill provides \$25 million for this effort to expand access to devices that can save lives across rural America.

The American Heart Association thanks you for your leadership in the fight against heart disease and looks forward to working with you to ensure the passage of this important legislation.

Sincerely,

LYNN A. SMAHA, M.D., PH.D.,  
*President.*

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Thank you, Mr. President.

Let me first thank the managers for allowing us the opportunity to introduce our bill at this time. I especially thank my friend, the Senator from Maine, for taking the lead on this issue

with me. She is a very effective Senator on many issues, and is specially effective, I think, when it comes to the concerns of rural people in Maine and throughout the country about an issue which is incredibly important—first aid.

I also thank the Presiding Officer, the junior Senator from Rhode Island, for joining us and cosponsoring the bill.

I rise today with Senator COLLINS to introduce the Rural Access to Emergency Devices Act. This legislation provides a first step to helping save the lives of the more than 250,000 people who die each year from sudden cardiac arrest.

Every two minutes, someone in America falls into sudden cardiac arrest—a medical emergency in which the heart's rhythm becomes so erratic it can not pump blood to the brain and other vital organs.

According to the American Heart Association, over 250,000 Americans die each year from sudden cardiac arrest. That is 700 deaths each day—a startlingly large number. Overall heart disease kills more Americans than AIDS, cancer, and diabetes combined.

In my home state of Wisconsin, as in many other states, heart disease is the number one killer. Ninety-five sudden deaths from cardiac arrest occur each day in Wisconsin.

These numbers are disturbing by any measure, but they are especially troubling because they don't need to be this high. By taking some relatively simple steps, we can give victims of cardiac arrest a better chance of survival, particularly in rural areas. Cardiac arrest victims are in a race against time, and today I'm introducing a bill to increase access to defibrillators, that are essential to reviving cardiac arrest victims.

Cardiac arrest strikes its unwilling victims with no warnings or indications. In most cases it's all but impossible to predict who will have a sudden cardiac arrest, or where and when it will happen.

Cardiac arrest can strike anyone. When cardiac arrest occurs, the victim loses consciousness, has no pulse and stops breathing normally. Death often occurs within minutes.

Cardiac arrest does not discriminate against age, gender, or race. A recent issue of Women's Day magazine detailed a number of cases in which a variety of people suffered from cardiac arrest.

The article tells about a 24-year-old woman, a writer for a Seattle comedy show, who suffered from cardiac arrest after watching her favorite television show. Another victim was a 48-year-old woman who was out for a birthday dinner with her husband and friend. Yet another individual, only 31 years of age, suffered cardiac arrest at his computer programming job in Minnesota.

What these victims have in common is that all three survived. Each was saved because a properly trained person was there with an automated ex-

ternal defibrillator (AED). These life saving machines are compact, portable, battery-operated versions of the machines that were traditionally only in the hands of emergency medical personnel.

Wisconsin's Emergency Medical Services are some of the finest in the country. They are effectively trained to identify victims and determine when a shock is needed. There are countless stories of quick EMS responses that have saved so many lives.

Unfortunately, for those in many rural areas, Emergency Medical Services have simply too far to go to reach people in need and time runs out for victims of cardiac arrest. It's simply not possible to have EMS units next to every farm and small town across the nation.

Fortunately, recent technological advances have made the newest generation of AEDs inexpensive—approximately \$3,000—and simple to operate. Because of these advancements in AED technology, it is now practical to train and equip fire department personnel, police officers, and other community organizations—and that's exactly what this legislation would do.

But let me be clear, I think they are only one part of the so-called chain of survival.

This chart indicates the four crucial aspects of the chain of survival, which is a proven method to save lives.

The first link in the chain is simple: it is vitally important that cardiac arrest victims have early access to care. When someone suffers from cardiac arrest, it's crucial that bystanders dial 911 to dispatch the appropriate emergency personnel to the scene.

The next link is early CPR—if performed properly, it will at least buy a few minutes to perform defibrillation. Let me be clear though, effective CPR does not replace defibrillation in saving lives.

The critical link in the chain of survival for victims of cardiac arrest is early defibrillation. Mr. President, each minute of the delay in returning the heart to its normal pattern of beating decreases the chance of survival by 10 percent.

The final link in the chain is early access to advanced care—it is literally of vital significance. Even after successful defibrillation, many patients require more advanced treatment on the way to the hospital.

By passing this legislation, and increasing access to defibrillators, we have the chance to strengthen the more important link in the chain of survival.

Communities across America are in dire need of better access to defibrillators. Making AEDs widely available so that trained laypeople can use them to administer shocks to cardiac arrest victims will go a long way toward saving lives.

In fact, the American Heart Association estimates that over 50,000 lives could be saved each year if AEDs were more readily accessible.

This next chart illustrates a startling statistic I mentioned a moment ago—for every minute that passes a cardiac arrest victim is defibrillated, the chance of survival falls by as much as 10 percent. After only eight minutes, the victims survival rate drops 60 percent.

Our legislation, the Access to Emergency Devices Act of 2000 takes a common sense approach to strengthen this chain of survival. This legislation provides \$25 million to expand access to devices that can save lives across rural America.

It also provides for training grants to give people the training they need to learn how to operate defibrillators.

And I have learned that training is very important, but also that nearly anyone can be taught to make proper use of a defibrillator.

Cities across America have begun to recognize the value of fast access to defibrillators and are making them available to emergency responders. This legislation recognizes that rural communities should have the same chance to improve cardiac arrest survival rates.

Because the first emergency responders on the scene of a cardiac arrest may not always be the medical responders, our legislation makes resources available to rural communities to purchase AEDs for police and fire as well as emergency response vehicles—and our bill also provides funds for the training that will sustain the life-saving effect of these grants.

Cardiac arrest can be a killer. But if we give people in rural communities a chance, they may be able to stop a cardiac arrest before it takes another life. Our bill is a simple and effective way to increase the availability of defibrillators, and give rural victims of cardiac arrest a better chance of survival, and I look forward to working with my colleagues to pass this legislation.

I yield the floor.

By Mr. JEFFORDS (for himself, Mr. ALLARD, Mr. BINGAMAN, Mr. KENNEDY, and Mr. LEAHY):

S. 2537. A bill to amend title 10, United States Code, to modify the time for use by members of the Selected Reserve of entitlement to certain educational assistance; to the Committee on Armed Services.

NATIONAL GUARD AND RESERVE EDUCATION ACT

• Mr. JEFFORDS. Mr. President, I strongly believe we owe it to Americans to provide them the best educational opportunities. And as a Navy veteran, I feel we owe our military greater access to education by providing maximum flexibility to use the educational benefits they've been promised. Today, on behalf of Senators ALLARD, BINGAMAN, KENNEDY, LEAHY, and myself, I am introducing legislation that will provide more time for our National Guard and Reserves to utilize their current education benefits.

Education benefits have proven to be one of the more important benefits offered by the U.S. military, both in terms of recruiting and retention, and as a means of upgrading the educational levels of our existing force. Currently, members of our uniformed services receive education assistance primarily through the successful Montgomery GI bill.

While the Montgomery GI bill goes a long way toward helping to further the education of our hardworking men and women serving in the uniformed services, there is an important gap in the number of years they have to utilize these benefits. While active duty personnel are provided education benefits for up to ten years after they separate from active duty, National Guard and Reserve personnel are only entitled to these benefits for the first ten years of their service and not after they leave the service. Since our active duty servicemembers currently have up to ten years after they separate from active duty, they are eligible to utilize their education assistance for up to thirty years (twenty years service plus ten). Our National Guard and Reserve servicemembers' benefits currently end ten years from the date they complete basic training.

The legislation I am introducing today would allow our National Guard and Reserves to use their Montgomery GI bill education benefits for the entire time they serve in the Selected Reserve. We are not asking for more benefits, just greater flexibility in the servicemembers' choice of when to use the education benefits that are already approved for them.

In addition, the Selected Reserve members who become disabled are currently allowed to use the GI bill education benefits only during the first ten years of service, regardless of what year they become disabled. For example, if a servicemember becomes disabled during the first two years of service, he has eight more years of education assistance eligibility. But if he becomes disabled after nine years of service, he would have one year of eligibility left. After ten years of service, the National Guard and Reserve have no education benefits if they become disabled.

This legislation would allow any unused portion of their 36 months of GI bill educational assistance to be utilized through the later of the original ten-year period of eligibility or a four-year period beginning on the date the person is involuntarily separated from the Selected Reserve. This adjustment also pertains to servicemembers whose unit is inactivated during a force draw-down if they have any unused months of educational assistance remaining.

As we have seen, our National Guard and Reserve continue to be tasked more and more as our nation calls on them to support missions around the world. The Selected Reserve makes up almost half of our Uniformed Services today. They, too, leave their families

behind to meet the call of serving our nation. In addition, they leave their full-time employers for months on end to perform their 'part-time' jobs. This makes it even more difficult for them to take advantage of employer-provided opportunities to further their education. How can we continue to expect them to utilize their current Montgomery GI bill benefits within the current time limitations while being tasked to work two jobs, maintain a family and deploy overseas on short notice? They've earned the right to have an equitable amount of time to utilize their Montgomery GI bill educational assistance. This is the right thing to do. I hope my colleague will join me in cosponsoring this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2537

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

**SECTION 1. MODIFICATION OF TIME FOR USE BY CERTAIN MEMBERS OF THE SELECTED RESERVE OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE.**

(a) IN GENERAL.—Subsection (a) of section 16133 of title 10, United States Code, is amended by striking "(1) at the end" and all that follows through the end and inserting "on the date the person is separated from the Selected Reserve."

(b) CERTAIN MEMBERS.—Paragraph (1) of subsection (b) of that section is amended in the flush matter following subparagraph (B) by striking "shall be determined" and all that follows through the end and inserting "shall expire on the later of (i) the 10-year period beginning on the date on which such person becomes entitled to educational assistance under this chapter, or (ii) the end of the 4-year period beginning on the date such person is separated from, or ceases to be, a member of the Selected Reserve."

(c) CONFORMING AMENDMENTS.—Subsection (b) of that section is further amended—

(1) in paragraph (2), by striking "subsection (a)" and inserting "subsections (a) and (b)(1)";

(2) in paragraph (3), by striking "subsection (a)" and inserting "subsection (b)(1)"; and

(3) in paragraph (4)—

(A) in subparagraph (A), by striking "subsection (a)" and inserting "subsections (a) and (b)(1)"; and

(B) in subparagraph (B), by striking "clause (2) of such subsection" and inserting "subsection (a)".

By Mr. ROCKEFELLER (for himself, Mr. ROBB, and Mr. DURBIN):

S. 2538. A bill to amend the Internal Revenue Code of 1986 to maintain retiree health benefits under the Coal Industry Retiree Health Benefit Act of 1992; to the Committee on Finance.

COAL MINER AND WIDOWS HEALTH PROTECTION ACT OF 2000

Mr. ROCKEFELLER. Mr. President, today I am introducing legislation that will maintain the promised health benefits of a small group of retired coalminers and their widows—the

Coalminers and Widows Health Protection Act of 2000. Retired coalminers and their widows were promised lifetime health benefits by the companies they worked for and by the federal government more than a half century ago. This commitment goes back to 1946 when President Truman guaranteed miners they would have lifetime health benefits in exchange for their return to the mines. The promise was well understood in the coalfields, and reiterated in successive coal wage agreements throughout the last half century. Congress affirmed that promise when it enacted the Coal Industry Retiree Health Benefits Act in 1992 (as part of the Energy Policy Act) to protect the health benefits of about 120,000 retirees and avoid a nationwide coal strike. The Coal Act has ensured that a small group of retirees would continue to get the health benefits that they earned and were promised for eight years now. There are now only about 65,000 miners and retirees remaining in the Fund—70% of whom are elderly widows of retired miners. Their average age is 78 years old, and more than 45% of the population is over 80 years old.

Once again, in this new century, the health care of this small group of retired miners and widows is threatened due to both significantly increased health care costs and a series of adverse court decisions. Congress must act this year to prevent a reduction in their health care benefits. Last year, we faced the first shortfall in the trust fund that pays for retired miners health benefits, and Congress responded. Senator BYRD and Congressman RAHALL's leadership forestalled a health care benefit cut. They included a stop-gap \$68 million in last year's final omnibus Appropriations bill to avert a cut. If Congress fails to act this year, retired miners and their widows will be in imminent danger of losing health benefits as early as next Spring.

I am glad to report to my colleagues that the Clinton/Gore Administration recognized the need to shore up the retired miners' health fund and included in its budget a number of provisions that together secure miners' benefits well into the next decade. The Coal Act related provisions in the President's budget are based on one premise—these retired miners were promised lifetime health benefits and a promise made must be a promise kept. The Administration strongly reaffirmed the federal government's commitment to retired miners and their widows by proposing to transfer \$346 million in new monies over the next ten years to the Combined Benefit Fund to ensure there will be no benefit cuts. The Administration's budget also clarified a few provisions of the Coal Act to avoid unnecessary litigation about the clear meaning of the statute. The Coalminers and Widows Health Protection Act does not include all of the Administration's proposed solutions for jurisdictional and practical reasons, but I am very grateful for their comprehensive solution to

maintaining promised benefits, and believe each of their proposed remedies deserve serious consideration by Congress.

The Coalminers and Widows Health Protection Act does three things. It provides for an annual mandatory transfer of general funds to the Combined Benefit Fund to maintain its long term solvency and prevent a reduction in miners' health benefits. The annual transfers are set at a level to avoid any reduction in benefits and amount to \$346 million over ten years. This bill also clarifies two aspects of the Coal Act to resolve disputed or misunderstood provisions of the law. The first clarification involves the timing of Social Security Administration's assignment of retired miners to the companies that had employed them and promised to finance their lifetime health benefits. The second clarification involves assignments to successors-in-interest of coal companies that had agreed to finance lifetime health benefits, as well as to the successors-in-interest of persons related to those companies, which is explicitly provided for in the Act. These clarifications will avoid further unneeded litigation expenses. These two clarifications do not score for the purposes of determining the cost of enacting them to the federal government.

I want to report to my colleagues that there is a bipartisan, bicameral process underway to determine how we can best shore up the miners' trust fund. Staff are meeting regularly. Chairman ROTH has informed me that he is committed to finding a way to preserve these promised benefits, and I welcome his strong support, as well as that of Senator MOYNIHAN and several other Members of the Finance Committee who are actively involved in this process.

One hundred thousand coalminers were killed while working in the mines last century. Nearly another hundred thousand suffered debilitating job related illnesses. This bill will give retired miners and their widows the health security they were promised and deserve. We owe them that security. They earned it. And you can rest assured that as Congress deals with the priority issues of funding government functions and operations through the annual budget process, and as proposed tax cuts and other legislative items are contemplated, I intend to see to it that we meet our responsibilities to retired coalminers.

There are about 20,000 thousand retired miners and their widows living in West Virginia—and tens of thousands of more living in virtually every state of the Union. The Coalminers and Widows Health Protection Act will tell them that they can count on their health care benefits being there for them when they need them, just as they were promised.

I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 2538

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

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Coal Miner and Widows Health Protection Act of 2000".

#### SEC. 2. MANDATORY TRANSFER OF FUNDS TO COMBINED BENEFIT FUND.

(a) Section 9705 of the Internal Revenue Code of 1986 (relating to transfers to the Combined Benefit Fund) is amended by adding at the end the following:

"(c) MANDATORY TRANSFERS FROM GENERAL FUND.—

"(1) IN GENERAL.—There are hereby authorized and appropriated, out of any amounts in the Treasury not otherwise appropriated, to the Combined Fund the following amounts for the following fiscal years:

"(A) \$38,000,000 for fiscal year 2001,

"(B) \$37,000,000 for fiscal year 2002,

"(C) \$36,000,000 for each of fiscal years 2003 and 2004,

"(D) \$34,000,000 for each of fiscal years 2005 and 2006,

"(E) \$33,000,000 for each of fiscal years 2007, 2008, and 2009, and

"(F) \$32,000,000 for fiscal year 2010.

"(2) USE OF FUNDS.—Any amounts transferred to the Combined Fund under paragraph (1) shall be available, without fiscal year limitation, to pay benefits under this subchapter.

"(3) TRANSFER.—The Secretary shall transfer amounts appropriated under paragraph (1) on October 1 of each fiscal year."

#### SEC. 3. CLARIFICATION OF AUTHORITY TO ASSIGN ELIGIBLE BENEFICIARIES.

(a) IN GENERAL.—Section 9706(a) of the Internal Revenue Code of 1986 (relating to assignment of eligible beneficiaries) is amended by striking ", before October 1, 1993,".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 19143 of the Coal Industry Retiree Health Benefit Act of 1992 (Public Law 102-486; 106 Stat. 3037), and no assignment made under section 9706(a) of the Internal Revenue Code of 1986 shall be invalidated because it was not made before October 1, 1993.

#### SEC. 4. CLARIFICATION OF AUTHORITY TO ASSIGN ELIGIBLE BENEFICIARIES TO SUCCESSORS OF SIGNATORY OPERATORS.

(a) IN GENERAL.—The last sentence of section 9701(c)(2)(A) of the Internal Revenue Code of 1986 (defining related persons) is amended to read as follows: "A related person shall also include a successor in interest of any person described in clause (i), (ii), (iii), or a successor in interest of the signatory operator itself."

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 19143 of the Coal Industry Retiree Health Benefit Act of 1992 (Public Law 102-486; 106 Stat. 3037), except that such amendment shall not apply to any proceeding initiated before the date of enactment of this Act if the proceeding (and any appeal therefrom) is not pending on such date.

By Mr. REID (for himself, Mr. BENNETT, Mr. DASCHLE, Mr. KERRY, Mrs. MURRAY, Mr. BINGAMAN, Mr. KENNEDY, Mrs. BOXER, Mr. ABRAHAM, and Mr. GRAMS):

S. 2539. A bill to amend the National Defense Authorization Act for Fiscal



Year 1998 with respect to export controls on high performance computers; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL DEFENSE AUTHORIZATION ACT FOR  
FISCAL YEAR 1998 AMENDMENTS

Mr. REID. Mr. President, I rise today to introduce a bipartisan bill that is critical to maintaining our nation's lead in the high-tech sector. In specific, this bill is crucial to the computer industry. This is an issue that I have been very interested in for quite some time, and in particular, have done a lot of work on this session.

I first want to talk a little bit about the U.S. computer industry. According to an article in *Computers Today*, dated July 19, 1998, American computer technology has led the world since the first commercial electronic computer was deployed at the University of Pennsylvania in 1946.

This industry is constantly changing with new companies and new products emerging every day. A statistic that I find fascinating is that more than 75 percent of the revenues of computer companies come from products that did not exist two years before. That statistic is from the CSPP Freedom to Grow.

Through research and development, another issue I strongly favor, the computer industry has been able to remain competitive for all of these years.

The challenge that we not face, and frankly a challenge that we haven't lived up to in the past as a Congress, is to allow our export control policies to change with the times, and not to overly restrict our nation's computer companies.

We need to stop trying to control technology that is readily available, as we are doing today. The technology that we are regulating is readily available from many foreign companies. Companies from countries like China and other Tier 3 countries.

I remember, not too long ago, I was able to secure funding for a Super-Computer for the University of Nevada, Las Vegas. That computer, which required its own room, is now about as powerful as a laptop computer. That is exactly the kind of computer that we are still regulating.

Computers that are now considered Super-Computers operate at more than one million MTOPS, or about 500 times the current level of regulation.

The bottom line is that by placing artificially low limits on the level of technology that can be exported, we may be denying market realities and could very quickly cripple America's global competitiveness for this vital industry. If Congress doesn't act quickly, we will substantially disadvantage American companies in an extremely competitive global market.

Mr. President. On February 1, 2000, at my urging, and the urging of others in this body, President Clinton proposed changes to the United States export controls on high-performance computers. Since that announcement, the

President's proposal has been floating around Congress for a mandated 180 days, or six month, review period. When the President made his proposal, the new levels would have been sufficient, however, we are still regulating under the old levels, and therefore hindering American companies from competing in Tier 3 countries with other foreign companies.

The bill that I am offering today simply reduces the congressional review period from 180 days to 30 days to complement the administration's easing of export restrictions, by amending the National Defense Authorization Act of 1998.

I appreciate the recent bipartisan support of this bill and I look forward to debating this bill on the Senate floor in the near future.

Mr. BENNETT. Mr. President, today Senator HARRY REID of Nevada and I are introducing bipartisan legislation with respect to the review period for the sale of high-performance computers. Both Senator REID and I were hoping this legislation would not be necessary. We had planned it as an amendment to the Export Administration Act, but that act, for a variety of reasons, has been stalled here on the floor, and the issue is so important that we don't want to let it die. We are introducing this legislation in order to keep the issue alive and, if necessary, to provide a vehicle for producing the review that we think is necessary.

Let me display a chart that demonstrates what is happening in the high-tech world of business computers. These are not the computers that we carry back and forth on the planes. You and I, as we fly back to our homes, have laptops and those laptops have amazing capabilities in them and represent the changes that are occurring in the computer world.

If I can be personal for just a moment, at one point in my career, I was the head of a company that was grandly called the American Computer Corporation. We produced, among other products, a computer that was about the size of a washing machine. We were very proud of it. It had 10 megabytes of hard disc memory in it, and it sold for about \$35,000. It was literally built in a garage, and we sold every single one we could make.

Today, I have in my hand a computer that costs less than \$500, which has far more power and capacity than that old machine we were so proud of, with its 10 megabytes of hard disc. The laptop I carry with me back and forth between here and Utah has more computing power in it today than the computers that controlled the space shuttle.

I have been down to Cape Canaveral to the Kennedy Space Center. I have seen the space shuttle. The space shuttle computers that control the flight of that at this time are very highly technical instruments and are built throughout the entire airplane. They take up so much room that they are part of the superstructure of the air-

plane itself. Today, there is more computing power in the laptop that I carry than there is in that whole airplane.

This is a manifestation of what the people in the computer world call Moore's law. Mr. Moore was one of the first CEOs of Intel. He propounded over 20 years ago Moore's law which says that every 18 months, the power of computers doubles for the same price; so that every 18 months, the computer that you had 18 months ago is now obsolete and the new one is twice as fast. Then, 18 months later the new one will be twice as fast as that one was. And 18 months later, the next new one will be twice as fast, and so on. Moore's law has held for over 20 years. Every 18 months the power of the computer doubles.

Moore's law doesn't hold anymore—not because the power of the computer is not doubling but because the power of the computer is doubling in less than 18 months. It is doubling faster than Moore projected in Moore's law.

This chart demonstrates what is happening in the world with what we call "business computers." These are computers that are roughly the size of that old computer we produced that was the size of a washing machine, or a college refrigerator. Only now, these computers have the power and capacity that we used to think of in terms of the giant supercomputers that would fill this room.

Thereby hangs the issue that has caused me and Senator REID to join together and introduce this piece of legislation.

When supercomputers, the huge machines that could do an enormous amount of computation work, were first invented, it was a matter of national security that they be kept out of the hands of America's enemies. So it was established by legislation that there would be a limit on the size of computers that could be exported because we wanted to make sure the supercomputers stayed in American hands.

The limit that was placed on supercomputers was at the level of 8,000 MTOPS. I don't mean to be overly technical here, but we need to understand what we are talking about. MTOPS is an acronym for millions of theoretical operations per second.

How many theoretical operations or calculations can the computer perform in a second? How many millions can it perform in a second?

At the time this legislation was put in place, it said anything over 8 trillion theoretical operations per second constituted a supercomputer, and therefore it had to be protected from export. It had to be held in the United States, for national security purposes. We were the only country in the world that had a computer that could approach 8 trillion MTOPS, or millions of theoretical operations per second.

That was then. This is now.

I hold in my hand a device that is produced here in America by Intel that



contains eight chips. And therein lies the tale that I want to talk about today.

Just think of this. This, by the way, retails for about \$900. It is part of the mother board of a traditional business computer today. The mother board is about 2 feet square. This fits on the mother board with all of the other chips that are in it. But this is the controller of all of that. And it has in it eight tiny chips.

Here is the marketplace for this kind of computer worldwide. We have the figures.

In 1997, worldwide, it is a little over 2 million.

You see in the blue down below is the market in the United States, and the green is overseas. You can see that the market overseas is bigger than the market in the United States.

The chart marches on with projections made by the Gartner Group out of Connecticut to the year 2002. We see, roughly speaking, that in that 5-year period—from 1997 to 2002—this market will quadruple. We are talking hundreds of billions of dollars per year of market.

I want that understood as the matrix of what we are talking about here.

This is the size of the market for a product of which this is the heart.

Now let's talk about it in terms of export control on MTOPS.

I hope we can tie all of these together. I realize this is a little technical. But understand when the legislation was passed, anything that had more than 8,000 MTOPS in it could not be exported, and therefore could not be sold in the green part of that bar.

Let's look at what is happening as Moore's law becomes obsolete as the power of computers increases more rapidly.

Here is a blowup of this device as it existed in 1999, less than 6 months ago.

A Pentium III chip carries with it 1,283 MTOPS. So if you had one of these with one Pentium III chip in it, you could export it. If you put two Pentium chips in it, you could export it because it doubles to 2,566. If you put four Pentium chips in it, doubling it again, you went to 4,584. But when you doubled that by putting eight chips in it, it cannot be exported now because it is over 8,000 MTOPS.

In 1999, this was a product that could be purchased in the United States by anybody, carried out the door, or installed, if you are buying it for your business, by the people who are providing for you. But it cannot be sold overseas without a review of the export license. Because we were so anxious to make sure that these computers didn't get into the wrong hands, the export license time for review of this was 180 days, or 6 months. That meant that an American manufacturer who took one of these processors from Intel, put eight chips in it, and put it in his computer, could sell it anywhere he wanted to in America but could not export it for 180 days.

What happened in that 180 days while he was waiting for export approval?

Let's look at where we are now in the year 2000.

In that 180-day period where you are waiting for export approval, the Itanium chip has been developed and come on the market. It has 6,131 MTOPS in one chip. If you are going to export this product, you can only have one chip in it. If you put two in it, you are immediately close to 12,000 MTOPS. If you put in four, you are at 23,000 MTOPS. And, if you put in the standard eight that this carries, you are at 47,000 MTOPS.

The administration has proposed raising the 8,000 MTOPS level to 25,000, which clearly doesn't do you any good. The technology is moving so rapidly that you can buy 25,000 just as quickly as you can buy 8,000.

This is where we are today.

If you had applied for an export license with Pentium chips last year and waited 67 months, by the time you got your 6-month approval, you would be facing this kind of competition, and no one would want your Pentium chip. They would want one with the Itanium chip. You say, all right. I will put up with the 6 months, and I will apply for this computer with eight Itanium 2000 chips.

What is ahead of you if you do that? Looking ahead to 2001 with the Itanium 2001 chip, this is what you are facing. That chip will do 9,198 MTOPS all by itself. Even one chip in this one makes it illegal to export without waiting 180 days for approval. Go to the normal eight chips, and you are at 70,000 MTOPS.

To those who say: Good heavens, we are exporting or allowing people to buy supercomputers that can do all of the command and control decisions for an entire defense system, we are in terrible trouble, we are giving away our secrets; I say in the Defense Department we still have supercomputers that are currently running at the rate of 2 million MTOPS. For those supercomputers, these things are child's play. By the time we get to 70,000 MTOPS in a computer of the kind in my hand, the supercomputers will have gone up from 2 million to as high as 30 million. That is the speed with which all of this is happening.

What are we proposing in this legislation? Simply this: We are saying approval can be granted within 30 days. We are taking it from 6 months down to 1.

Why do I pick 30 days, along with Senator REID? We look at the export controls—which, again, are there to protect America's secrets—and we find that 30 days is currently the timeframe for an F-16. If a foreign government wants to buy our most sophisticated aircraft, we take 30 days to determine whether or not that particular aircraft in the hands of that particular government produces some kind of threat to national security. Yet we will take 6 months to decide whether that govern-

ment can buy a computer that is available in virtually every technology center anywhere in the United States. They can buy it in the United States, throw it on the airplane, and take it abroad themselves.

Somebody could say: Gee, that is illegal to take abroad. What kind of secrecy and control is it when one can buy it on the street in the United States, any citizen can buy it as easily as they could buy one of these, but for some reason we can't allow them to export it?

There is another factor to recognize. We are not operating in a vacuum. There are Japanese companies that can do this. There are French companies that can do this. There are German companies that can do this. If we say American companies can't do this, we just guarantee the rest of the world will get this market. Remember those lines on that bar chart showing the foreign market is bigger than the American market? We are guaranteeing the rest of the world will take this market away from the United States as we sit here with our 180-day review period, saying in effect no American company can get into this business at all, because in that 180-day period everyone overseas will have bought foreign and not bought American.

It is vitally important that we recognize the reality of what is happening in the computer world, we bring the date necessary for review down to a reasonable period of time, and we say, if you want to buy one of these from Intel with eight Itanium 2001 chips in it, it will not take any more time for you to do that than it will take you to buy an F-16. That is the reasonable, intelligent thing to do. That is what the legislation of Senator REID and myself seeks to establish.

I hope it is not necessary for our bill ever to be considered or passed. I hope the export administration bill comes back on the floor and Senator REID and I can offer our bill as an amendment to that bill and see it adopted by the Senate and sent to the President as rapidly as possible. Just in case that does not happen, by introducing this bill on behalf of Senator REID and myself today, I am making clear we have a backup somewhere in the legislative channel to which we can turn to try to make it logical and possible for American computer manufacturers and American chip manufacturers to continue America's leadership in this market.

Make no mistake, we are talking hundreds of billions of dollars where America currently has the technological leadership in the world. That leadership is now threatened by Government regulations. It is imperative we change those regulations on the floor of the Senate, if possible, working with the administration.

By Mr. BROWNBACK (for himself, Mr. KERREY, and Mr. MURKOWSKI):

S. 2540. A bill to amend the Food Security Act of 1985 to require the Secretary of Agriculture to establish a carbon sequestration program to permit owners and operators of land to enroll the land in the program to increase the sequestration of carbon, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

DOMESTIC CARBON STORAGE INCENTIVE ACT OF  
2000

Mr. BROWNBACK. Mr. President, I rise today to introduce a bill that I think is going to be a significant issue for U.S. agriculture and the environment both. It's the Domestic Carbon Storage Incentive Act of 2000. I am putting forward a concept that is being talked about more and more, a concept called carbon farming, where we encourage the agriculture industry to farm in such a way that the plant life pulls CO<sub>2</sub> out of the air, fixes carbon in the ground, releases oxygen in an ever-increasing amount. There are farming techniques that can fix or sequester more carbon in the ground. What we are doing with this bill is encouraging more of that carbon sequestration, pulling more of the CO<sub>2</sub> out of the air thus reducing some of the greenhouse gases that are in the air, whether they are there by natural or man-made sources. It is a win for the environment and it is a win for agriculture, I think it is a very positive thing we can do in encouraging good agricultural stewardship and good environmentalism.

With this bill we are providing financial incentives to landowners who increase conservation practices which, as I describe, help pull carbon dioxide out of the atmosphere and store it as carbon in the soil. This bill seeks to encourage the positive contributions to the environment made by the agriculture industry. I am joined in this bill by my friend, Senator KERREY of Nebraska and Senator MURKOWSKI of Alaska along with a number of others.

For some time now I have been looking at a way for a way to approach environmental issues from an incentive-based proactive stance. I think it is important we break away from the regulatory model we have been in on the environment. We have basically said all sticks on this: If you do this we are going to do this to you on environmental rules and issues. It has all been a regulatory approach. I think it is important we engage the markets and create an incentive approach, and that is what this bill does. I believe we are on the verge of seeing agriculture come into a whole new market with this type of approach, an environmental market where producers will benefit rather than be burdened by environmental concerns.

U.S. agriculture has long been appreciated for its ability to feed the world. As any good farmer knows, in order to

grow good crops you must take care of the land, be a steward of the land. Farmers take this role very seriously. My family farms. My dad and my brother are both full-time farmers. But sometimes markets and economic stress make conservation very difficult to pursue. This bill would help offset some of the costs to expand conservation practices.

It is this sort of eco-agriculture that we should encourage and enhance to deal with environmental concerns, rather than resorting to governmental regulations and mandates to solve our problems. Farmers want to do the right thing. They have more reason than anybody else to preserve and protect the land, the land and the water and the air—but Government and markets do not always make that job very easy.

I applaud my colleague, Senator ROBERTS, for all the work he has done in this area. His bill that he has to enhance carbon sequestration research has called needed attention to a very important area, the research work that we need to do about what practices fix the most carbon into the ground and what ones are the most helpful to the atmosphere. These two approaches, working together, the research on how we can do it better and more of it, along with more incentives to put that research into practice, I think are a good tandem.

Why do we do this? Carbon dioxide is a greenhouse gas believed to contribute to global warming. While there is debate over the role which human activity plays in speeding up the warming process, there is broad consensus that there are increased carbon levels in the atmosphere today. Until now, the only real approach seriously considered to address climate change was an international treaty which calls for emission limits on carbon dioxide, which would mean limiting the amount that comes from your car, your business and your farm.

The Kyoto treaty also favored exempting developing nations from emissions limits, putting the U.S. economy at a distinct disadvantage. Approaching the issue of climate change in this fashion would be very costly and would not respond to the global nature of this problem because they are exempting several countries already.

Instead, the approach I am putting forward encourages offsetting greenhouse gases through improved land management and conservation. As a result, these practices will also lead to better water quality, less runoff pollution, better wildlife habitat, and an additional revenue source for farmers. It truly is one of those win-win propositions for the environment and for agriculture.

Specifically, my bill will allow landowners to submit plans detailing prac-

tices they would be willing to undertake to store additional carbon in the soil. These plans would then compete for entrance into the program, with the best plans achieving funding. Verification of this program would be similar to current conservation programs, such as the Environmental Quality Incentives Program where farmers need only comply with the practices they set forth in the contract. The program is limited to 5 million acres and is not a set-aside. Rather, this bill encourages conservation practices such as no-till farming, buffer strips, and biomass production, to name a few, which are known to enhance the soil's ability to store carbon.

Under this program, contracts will be for a minimum of 10 years and USDA will be required, in conjunction with other agencies and land grant universities, to finalize criteria for measuring the carbon-storing ability of various conservation practices. This objective will be greatly enhanced by the organizations such as Kansas State University in my home State, which have conducted significant research already on ways that various carbon-storing practices occur in agriculture.

Agriculture can play a substantial role in protecting the environment if we put these incentives forward. One might ask, is there benefit to carbon storage? Are we talking about significant numbers? Listen to some of these numbers. The total carbon sequestration and fossil fuel offset potential of U.S. croplands is currently estimated at 154 million metric tons of carbon per year, or 133 percent of the total greenhouse gas emissions by all these activities. In other words, even current agricultural croplands have the ability to store carbon in the soil. Imagine how much more this process can be enhanced if a focused effort is made.

Early estimates indicate that the potential for a carbon market for U.S. agriculture could reach \$5 billion per year for the next 30 to 40 years. Carbon markets are already emerging in the private sector with farmers selling their carbon-storing practices to utilities. There is a Consortium for Agriculture Soils Mitigation of Greenhouse Gases that is marketing this already.

Farmers are already beginning to look toward carbon sequestration or carbon farming practices as a potential new market. Between 1998 and 1999, Iowa farmers grew and harvested 4,000 tons of switchgrass for use by a utility. These farmers not only benefit from the sale of the biomass commodity itself but are able to sell the additional benefit they are providing in growing the switchgrass, which is carbon sequestration. This bill will allow all farmers to progress toward verification

and potential sale of carbon benefits to third parties.

The estimated amount of carbon stored in world soils is more than twice the carbon living in vegetation or in the atmosphere. Approximately 50 percent of the soil organic carbon has been lost from the soil over a period of 50 to 100 years of cultivation. This loss represents the potential for storage of carbon in the soil.

In the tall grass prairie located in Kansas, Kansas State University researchers have demonstrated an increase of approximately 2 tons of carbon per acre through increased conservation practices—2 tons additional carbon pulled out of the air and put into the ground per acre. That demonstrates the potential in rangeland soils, and there are already a number of agricultural practices which enhance carbon sequestration.

Obviously, carbon sequestration has a lot to offer as an environmental and agricultural policy. It is something that can provide a win-win situation for the environment and agriculture as we look forward to an era of another income source and a good way the environment and agriculture can work together.

Mr. President, I introduce the bill on behalf of myself, Mr. KERREY, Mr. MURKOWSKI, and a number of other cosponsors.

• Mr. KERREY. Mr. President, today I am introducing the Domestic Carbon Storage Incentive Act of 2000 with Senators BROWNBACK and MURKOWSKI. Agriculture must play a major role in any climate change plan, since it is an important part of both the cause and the solution. While the facts about global warming are not all clear, what is clear is that global warming is occurring. What is also clear is that human activities are emitting increasingly large volumes of greenhouse gases, and that these gases are influencing global warming.

Carbon sequestration, that is pulling carbon from the air into the soil, is an important part of fighting global warming, and agriculture is one of the largest and most economical carbon "sinks." Farmers and ranchers can store additional carbon in the soil fairly easily, using best management practices such as no-till farming, increased production of high carbon-storing crops, and increased use of winter cover crops. Storing carbon in the soil is not only good for the environment, it is also advantageous for soil quality and agriculture production. I am pleased that farmers and ranchers are beginning to realize that carbon sequestration is a win-win situation. Agriculture is sometimes hesitant to adopt change, however, and it is important to provide producers with the opportunity to fully utilize carbon-storing techniques.

This bill will give agriculture producers added financial incentive to adopt these best management practices. Unlike CRP, the land will not be

a set-aside, but rather these practices will be used on land in production. This program will be completely voluntary, with farmers competing for entrance into the program by proposing specific plans to store more carbon in their land. The best plans will be awarded ten-year contracts with payments no greater than twenty dollars per acre each year.

Some farmers have expressed concern about using these carbon-storing techniques on their land, however, because current studies only involve small experimental plots. This legislation will implement carbon sequestration practices on whole farms, both to gather more data on beneficial techniques and to set examples for other farmers to follow.

While measuring carbon storage is a difficult task, the most direct means of determining soil carbon sequestration is to measure, over time, sequential changes in the soil. At a recent Senate Agriculture Subcommittee hearing, several scientists and policy-makers advocated a greater need for more research and more data. This program will provide actual data from different soil types across the nation, furthering our collective knowledge of causes and solutions to global warming.

The Domestic Carbon Storage Incentive Act is an important step in moving agriculture's role in fighting climate change forward. Carbon sequestration will benefit everyone: farmers, ranchers, the environment, and society. This bill will serve a public good, valued far above the cost of the program. Congress has the opportunity to take action to combat global warming, and I hope that the Senate can begin to achieve this goal by acting on this sound legislation. •

By Mr. DASCHLE (for himself, Mr. MOYNIHAN, Mr. KENNEDY, Mr. AKAKA, Mr. BAUCUS, Mr. BIDEN, Mr. BINGAMAN, Mrs. BOXER, Mr. BRYAN, Mr. BYRD, Mr. CLELAND, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. HARKIN, Mr. HOLLINGS, Mr. INOUE, Mr. JOHNSON, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mrs. LINCOLN, Ms. MIKULSKI, Mrs. MURRAY, Mr. REED, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SCHUMER, and Mr. WELLSTONE):

S. 2541. A bill to amend title XVIII of the Social Security Act to provide a prescription drug benefit for the aged and disabled under the Medicare Program, to enhance the preventative benefits covered under such program, and for other purposes; to the Committee on Finance.

MEDICARE EXPANSION FOR NEEDED DRUGS  
(MEND) ACT OF 2000

Mr. DASCHLE. Mr. President, today I am pleased to join with 34 of our Senate Democratic colleagues in introducing the Medicare Expansion for

Needed Drugs Act, a bill to mend Medicare by adding a long overdue prescription drug benefit.

I want to begin by thanking all the people who have brought us to this point.

Senator DORGAN and many of our other colleagues have held numerous hearings in Washington, and around the country on the issue of Medicare prescription drug coverage. I thank my colleagues and all who came to the hearings.

I know that they heard from people at those hearings they would not have otherwise heard from. The testimony they heard was virtually unanimous at each of these hearings, that Medicare must now, this year, be expanded to include necessary coverage.

I also thank all of the seniors, pharmacists, doctors, and others who took the time to educate us on this important matter. Their wisdom has made this a better bill.

In addition, I thank the President—for keeping the issue of Medicare prescription drugs on the national agenda, and for providing the framework for our proposal.

I thank the many organizations representing seniors and consumers who told us about the terrible strain paying for prescription drugs places on seniors and their families.

Most of all, I thank the many seniors from all across America who told us about their struggles to pay for prescription drugs.

I want to share with you one example from my State.

Fran Novotny is a 70-year-old retired nurse from Hill City, SD. She takes prescription medications every day to control diabetes, hypertension, and asthma. She has also had bypass surgery.

Every month, she gets a Social Security check for \$616.

Every month, she spends about \$550 on prescriptions.

She has a small pension, but it doesn't add up to much. So she is quickly depleting her entire life savings. After it is gone, she has no idea how she will pay for her medications.

Her story, and many others like it, are the reason we must move forward and enact a Medicare prescription drug benefit this year. We must make sure that Fran Novotny—and the millions of seniors like her—can afford their prescriptions—and their grocery bills and their rent and their clothing and their utility bills.

The average Medicare beneficiary fills 18 prescriptions a year.

Yet three-in-five Medicare beneficiaries lack decent, dependable coverage for prescription drugs. And more than one-third of all Medicare beneficiaries—more than 15 million seniors—have no prescription drug coverage at all.

This is not a problem faced only by the poorest beneficiaries. More than half of all Medicare beneficiaries without coverage have incomes above 150 percent of poverty,

That is why two-thirds of the Democratic caucus has joined in introducing this bill to make prescription drug coverage available and affordable to all Medicare beneficiaries.

Our plan is universal.

Every single Medicare beneficiary who wants the coverage has it under this bill.

Second, our plan is voluntary.

It is not a requirement that you sign up for this legislation. If you have a good plan, use it. If you have a good company, stay with it. If you have a plan that works for you, for whatever reason, this plan encourages you to stay right where you are. But if you do not have coverage, if you need coverage and cannot get it anywhere else, this bill will make it available to you for the first time.

Every Medicare beneficiary can choose to participate, whether he or she is in traditional, fee-for-service Medicare or a Medicare Plus Choice plan. Retirees who already have private prescription drug coverage can keep it. It is up to them.

We also provide incentives to employers to provide and maintain drug coverage. We do not want to see the people who are now providing it to their employees or retirees dropping these people once this plan becomes available, so we have encouraged, we have incentivized businesses to do that.

Our plan provides meaningful coverage.

Medicare would cover half of beneficiaries' discounted prescription drug bills, up to \$5,000 a year. That means that Fran Novotny—who spends \$550 a month on prescription drugs—would be able to save at least \$275 a month. That \$275 a month will make a real difference in her life.

Our plan also provides catastrophic coverage for people who need to take very expensive drugs that can cost \$5,000, or \$10,000 a year, or more. It is our hope that after a Medicare beneficiary has paid the first \$3,000 or \$4,000 in catastrophic care costs, Medicare would pick up the balance.

Our program is also affordable.

Beneficiaries would pay premiums to cover about half the cost of the program. Medicare would contribute the other half.

Seniors with incomes between 135 percent and 150 percent of poverty would receive assistance with their premiums. Those with incomes below 135 percent of poverty would receive assistance with premiums and copays.

Our plan would give seniors bargaining power that they just don't have today.

The problem today isn't just that seniors end up paying out-of-pocket expenses for their prescriptions, they also pay a lot more for those out-of-pocket costs. On average, seniors pay twice as much for their medications as big insurance companies and HMOs do today.

The fact that seniors face the highest prices at the drugstore is, frankly, wrong. Our plan gives seniors the bar-

gaining power that comes with numbers.

Another thing our plan does—which is very important to many of us in rural areas—is to include special protections to make sure that Medicare beneficiaries who live in rural communities have the same affordable, timely access to prescription drugs as everyone else.

It gives the Secretary of Health and Human Services the authority to offer pharmacists incentives to cover rural communities and other hard-to-serve areas. Every American should be able to get affordable prescription drugs—when they need them—whether they live in a big city or a small town.

Our plan mirrors the best practices used in the private sector.

For beneficiaries in traditional Medicare, prescription drug coverage would be delivered by private entities that negotiate prices with drug manufacturers. This is the same mechanism used by private insurers.

Beneficiaries in Medicare Plus Choice plans would get their prescription drug coverage through their Plus Choice plan.

Finally, the bill recognizes that we need to shift the focus of Medicare from simply treating illness, to keeping beneficiaries well.

While prescription drug coverage is an important first step in this effort, there are likely other changes we should make. So this bill sets up a process for Congress to consider further benefit changes—to enhance prevention—on an expedited basis. I want to thank Senator GRAHAM for his leadership on this important issue.

On the issue of broader Medicare reform, I would like to see prescription drugs pass as part of a larger package of reforms and modernizations, and I believe this bill and its benefit is consistent with such efforts.

I'm also pleased to report that our bill is supported by an array of important groups: The National Council of Senior Citizens; the Committee to Preserve Social Security and Medicare; National Council on the Aging; the Older Women's League; the AFL-CIO; The National Community Pharmacists Association; Families USA; Consumers Union; the Leadership Council of Aging Organizations; the Association for Homes and Services for the Aging; the National Association of Area Agencies on Aging; and AARP.

We hope we will have support from our Republican colleagues, too.

Prescription drug coverage for all seniors is an issue on which we cannot afford to procrastinate. The cost of delay is too great—in lost opportunities, lost health, and lost lives.

In 1965, when Medicare was created, it didn't include prescription drug coverage. Neither did most private insurance plans. Today, virtually all private health plans offer some sort of prescription drug coverage—but not Medicare.

It is time—it is past time—to close this gap. Prescription drugs are an in-

tegral part of medicine today. They ought to be an integral part of Medicare. Period.

Now—before the Baby Boomers retire, and the problems are still manageable—is the time to strengthen Medicare. Now, while our economy is strong, and we have a surplus, is the time to add a universal, voluntary, and affordable prescription drug benefit to Medicare.

Mr. President, I ask unanimous consent that at this point the text of the bill be printed in the RECORD.

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

S. 2541

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

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Medicare Expansion for Needed Drugs (MEND) Act of 2000".

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

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

#### TITLE I—PRESCRIPTION DRUG BENEFIT PROGRAM

Sec. 101. Prescription drug benefit program.

##### "PART D—PRESCRIPTION DRUG BENEFIT FOR THE AGED AND DISABLED

"Sec. 1860. Establishment of prescription drug benefit program for the aged and disabled.

"Sec. 1860A. Scope of benefits.

"Sec. 1860B. Payment of benefits; benefit limits.

"Sec. 1860C. Eligibility and enrollment.

"Sec. 1860D. Premiums.

"Sec. 1860F. Prescription Drug Insurance Account.

"Sec. 1860G. Administration of benefits.

"Sec. 1860H. Employer incentive program for employment-based retiree drug coverage.

"Sec. 1860I. Appropriations to cover Government contributions.

"Sec. 1860J. Prescription drug defined."

Sec. 102. Medicaid buy-in of Medicare prescription drug coverage for certain low-income individuals.

"Sec. 1860E. Special eligibility, enrollment, and copayment rules for low-income individuals."

Sec. 103. Catastrophic prescription drug coverage benefit.

Sec. 104. Comprehensive immunosuppressive drug coverage for transplant patients.

Sec. 105. GAO study and biennial reports on competition and savings.

Sec. 106. MedPAC study and annual reports on the pharmaceutical market, pharmacies, and beneficiary access.

#### TITLE II—ENHANCED MEDICARE PREVENTION PROGRAM

Sec. 201. MedPAC biennial report.

Sec. 202. National Institute on Aging study and report.

Sec. 203. Institute of Medicine 5-year Medicare prevention benefit study and report.

Sec. 204. Fast-track consideration of prevention benefit legislation.

#### SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Prescription drug coverage was not a standard part of health insurance when the Medicare program under title XVIII of the

Social Security Act was enacted in 1965. Since 1965, however, drug coverage has become a key component of most private and public health insurance coverage, except for the medicare program.

(2) At least  $\frac{2}{3}$  of medicare beneficiaries have unreliable, inadequate, or no drug coverage at all.

(3) Seniors who do not have drug coverage typically pay, at a minimum, 15 percent more than people with coverage.

(4) Medicare beneficiaries at all income levels lack prescription drug coverage, with more than  $\frac{1}{2}$  of such beneficiaries having incomes greater than 150 percent of the poverty line.

(5) The number of private firms offering retiree health coverage is declining.

(6) Medigap premiums for drugs are too expensive for most beneficiaries and are highest for older senior citizens, who need prescription drug coverage the most and typically have the lowest incomes.

(7) The management of a medicare prescription drug benefit should mirror the practices employed by private entities in delivering prescription drugs. Discounts should be achieved through competition.

(8) All medicare beneficiaries should have access to a voluntary, reliable, affordable outpatient drug benefit as part of the medicare program that assists with the high cost of prescription drugs and protects them against excessive out-of-pocket costs.

(9) The addition of a medicare drug benefit should be consistent with an overall plan to strengthen and modernize the medicare program.

#### **TITLE I—PRESCRIPTION DRUG BENEFIT PROGRAM**

##### **SEC. 101. PRESCRIPTION DRUG BENEFIT PROGRAM.**

(a) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended—

(1) by redesignating part D as part E; and  
(2) by inserting after part C the following new part:

##### **“PART D—PRESCRIPTION DRUG BENEFIT FOR THE AGED AND DISABLED**

“ESTABLISHMENT OF PRESCRIPTION DRUG BENEFIT PROGRAM FOR THE AGED AND DISABLED

“SEC. 1860. (a) IN GENERAL.—There is established a voluntary insurance program to provide prescription drug benefits in accordance with the provisions of this part for individuals who are aged or disabled or have end-stage renal disease and who elect to enroll under such program, to be financed from premium payments by enrollees together with contributions from funds appropriated by the Federal Government.

“(b) NONINTERFERENCE.—In administering the prescription drug benefit program established under this part, the Secretary may not—

“(1) require a particular formulary or institute a price structure for benefits;

“(2) interfere in any way with negotiations between private entities and drug manufacturers, or wholesalers; or

“(3) otherwise interfere with the competitive nature of providing a prescription drug benefit through private entities.

##### **“SCOPE OF BENEFITS**

“SEC. 1860A. (a) IN GENERAL.—The benefits provided to an individual enrolled in the insurance program under this part shall consist of—

“(1) payments made, in accordance with the provisions of this part, for covered prescription drugs (as specified in subsection (b)) dispensed by any pharmacy participating in the program under this part (and, in circumstances designated by the private entity, by a nonparticipating pharmacy), including

any specifically named drug prescribed for the individual by a qualified health care professional regardless of whether the drug is included in a formulary established by the private entity if such drug is certified as medically necessary by such health care professional, up to the benefit limits specified in section 1860B; and

“(2) charging by pharmacies of the negotiated price—

“(A) for all covered prescription drugs, without regard to such benefit limit; and

“(B) established with respect to any drugs or classes of drugs described in subparagraphs (A) through (D) or (F) of section 1927(d)(2) that are available to individuals receiving benefits under this title.

“(b) COVERED PRESCRIPTION DRUGS.—

“(1) IN GENERAL.—Covered prescription drugs, for purposes of this part, include all prescription drugs (as defined in section 1860J(1)), including smoking cessation agents, except as otherwise provided in this subsection.

“(2) EXCLUSIONS FROM COVERAGE.—Covered prescription drugs shall not include drugs or classes of drugs described in subparagraphs (A) through (D) and (F) through (H) of section 1927(d)(2) unless—

“(A) specifically provided otherwise by the Secretary with respect to a drug in any of such classes; or

“(B) a drug in any of such classes is certified to be medically necessary by a health care professional.

“(3) EXCLUSION OF PRESCRIPTION DRUGS TO THE EXTENT COVERED UNDER PART A OR B.—A drug prescribed for an individual that would otherwise be a covered prescription drug under this part shall not be so considered to the extent that payment for such drug is available under part A or B, including all injectable drugs and biologicals for which payment was made or should have been made by a carrier under section 1861(s)(2) (A) or (B) as of the date of enactment of the Medicare Expansion for Needed Drugs (MEND) Act of 2000. Drugs otherwise covered under part A or B shall be covered under this part to the extent that benefits under part A or B are exhausted.

##### **“PAYMENT OF BENEFITS; BENEFIT LIMITS**

“SEC. 1860B. (a) PAYMENT OF BENEFITS.—There shall be paid from the Prescription Drug Insurance Account within the Supplementary Medical Insurance Trust Fund, in the case of each individual who is enrolled in the insurance program under this part and who purchases covered prescription drugs in a calendar year, an amount, not to exceed 50 percent of the applicable limit under subsection (b), equal to 50 percent of the negotiated price for each such covered prescription drug or such higher percentage as is proposed by a private entity pursuant to section 1860G(d)(7), if the Secretary finds that such percentage will not increase aggregate costs to the Prescription Drug Insurance Account.

“(b) BENEFIT LIMITS.—

“(1) CALENDAR YEARS 2002 THROUGH 2009.—For purposes of subsection (a), the limit under this subsection is—

“(A) for each of calendar years 2002, 2003, and 2004, \$2,000;

“(B) for each of calendar years 2005, 2006, and 2007, \$3,000;

“(C) for calendar year 2008, \$4,000; and

“(D) for calendar year 2009, \$5,000.

“(2) CALENDAR YEAR 2010 AND SUBSEQUENT YEARS.—For purposes of subsection (a), the limit under this subsection for calendar year 2010 and each subsequent calendar year is equal to the greater of—

“(A) the limit for the preceding year adjusted by the percentage change in the Consumer Price Index for all urban consumers

(U.S. urban average) for the 12-month period ending with June of the preceding year; or

“(B) the limit for the preceding year.

##### **“ELIGIBILITY AND ENROLLMENT**

“SEC. 1860C. (a) ELIGIBILITY.—Every individual who, in or after 2002, is entitled to hospital insurance benefits under part A or enrolled in the medical insurance program under part B is eligible to enroll, in accordance with the provisions of this section, in the insurance program under this part, during an enrollment period prescribed in or under this section, in such manner and form as may be prescribed by regulations.

“(b) ENROLLMENT.—

“(1) IN GENERAL.—Each individual who satisfies subsection (a) shall be enrolled (or eligible to enroll) in the program under this part in accordance with the provisions of section 1837, as if that section applied to this part, except as otherwise explicitly provided in this part.

“(2) SINGLE ENROLLMENT PERIOD.—Except as provided in section 1837(i) (as such section applies to this part), 1860E, or 1860H, or as otherwise explicitly provided, no individual shall be entitled to enroll in the program under this part at any time after the initial enrollment period.

“(3) SPECIAL ENROLLMENT PERIOD FOR 2002.—

“(A) IN GENERAL.—An individual who first satisfies subsection (a) in 2002 may, at any time on or before December 31, 2002—

“(i) enroll in the program under this part; and

“(ii) enroll or reenroll in such program after having previously declined or terminated enrollment in such program.

“(B) EFFECTIVE DATE OF COVERAGE.—An individual who enrolls under the program under this part pursuant to subparagraph (A) shall be entitled to benefits under this part beginning on the first day of the month following the month in which such enrollment occurs.

“(c) PERIOD OF COVERAGE.—

“(1) IN GENERAL.—Except as otherwise provided in this part, an individual's coverage under the program under this part shall be effective for the period provided in section 1838, as if that section applied to the program under this part.

“(2) PART D COVERAGE TERMINATED BY TERMINATION OF COVERAGE UNDER PARTS A AND B.—In addition to the causes of termination specified in section 1838, an individual's coverage under this part shall be terminated when the individual retains coverage under neither the program under part A nor the program under part B, effective on the effective date of termination of coverage under part A or (if later) under part B.

##### **“PREMIUMS**

“SEC. 1860D. (a) ANNUAL ESTABLISHMENT OF MONTHLY PREMIUM RATES.—

“(1) IN GENERAL.—The Secretary shall, during September of 2001 and of each succeeding year, determine and promulgate a monthly premium rate for the succeeding year in accordance with the provisions of this subsection.

“(2) ACTUARIAL DETERMINATIONS.—

“(A) DETERMINATION OF ANNUAL BENEFIT COSTS.—The Secretary shall estimate annually for the succeeding year the amount equal to the total of the benefits that will be payable from the Prescription Drug Insurance Account for prescription drugs dispensed in such calendar year with respect to enrollees in the program under this part. In calculating such amount, the Secretary shall include an appropriate amount for a contingency margin.

“(B) DETERMINATION OF MONTHLY PREMIUM RATES.—

“(i) IN GENERAL.—The Secretary shall determine the monthly premium rate with respect to such enrollees for such succeeding year, which shall be  $\frac{1}{2}$  of the share specified in clause (ii) of the amount determined under subparagraph (A), divided by the total number of such enrollees, and rounded (if such rate is not a multiple of 10 cents) to the nearest multiple of 10 cents.

“(ii) ENROLLEE AND EMPLOYER PERCENTAGE SHARES.—The share specified in this clause, for purposes of clause (i), shall be—

“(I) one-half, in the case of premiums paid by an individual enrolled in the program under this part; and

“(II) two-thirds, in the case of premiums paid for such an individual by a former employer (as defined in section 1860H(f)(2)).

“(3) PUBLICATION OF ASSUMPTIONS.—The Secretary shall publish, together with the promulgation of the monthly premium rates for the succeeding year, a statement setting forth the actuarial assumptions and bases employed in arriving at the amounts and rates determined under paragraphs (1) and (2).

“(b) PAYMENT OF PREMIUMS.—

“(1) PAYMENTS BY DEDUCTION FROM SOCIAL SECURITY, RAILROAD RETIREMENT BENEFITS, OR BENEFITS ADMINISTERED BY OPM.—

“(A) DEDUCTION FROM BENEFITS.—In the case of an individual who is entitled to or receiving benefits as described in subsection (a), (b), or (d) of section 1840, premiums payable under this part shall be collected by deduction from such benefits at the same time and in the same manner as premiums payable under part B are collected pursuant to section 1840.

“(B) TRANSFERS TO PRESCRIPTION DRUG INSURANCE ACCOUNT.—The Secretary of the Treasury shall, from time to time, but not less often than quarterly, transfer premiums collected pursuant to subparagraph (A) to the Prescription Drug Insurance Account from the appropriate funds and accounts described in subsections (a)(2), (b)(2), and (d)(2) of section 1840, on the basis of the certifications described in such subsections. The amounts of such transfers shall be appropriately adjusted to the extent that prior transfers were too great or too small.

“(2) DIRECT PAYMENTS TO SECRETARY.—

“(A) ADDITIONAL PAYMENT BY ENROLLEE.—An individual to whom paragraph (1) applies (other than an individual receiving benefits as described in section 1840(d)) and who estimates that the amount that will be available for deduction under such paragraph for any premium payment period will be less than the amount of the monthly premiums for such period may (under regulations) pay to the Secretary the estimated balance, or such greater portion of the monthly premium as the individual chooses.

“(B) PAYMENTS BY OTHER ENROLLEES.—An individual enrolled in the insurance program under this part with respect to whom none of the preceding provisions of this subsection applies (or to whom section 1840(c) applies) shall pay premiums to the Secretary at such times and in such manner as the Secretary shall by regulations prescribe.

“(C) DEPOSIT OF PREMIUMS.—Amounts paid to the Secretary under this paragraph shall be deposited in the Treasury to the credit of the Prescription Drug Insurance Account in the Supplementary Medical Insurance Trust Fund.

“(c) CERTAIN LOW-INCOME INDIVIDUALS.—For rules concerning premiums for certain low-income individuals, see section 1860E.

“PRESCRIPTION DRUG INSURANCE ACCOUNT

“SEC. 1860F. (a) ESTABLISHMENT.—There is created within the Federal Supplemental Medical Insurance Trust Fund established by section 1841 an account to be known as the

‘Prescription Drug Insurance Account’ (in this section referred to as the ‘Account’).

“(b) AMOUNTS IN ACCOUNT.—

“(1) IN GENERAL.—The Account shall consist of—

“(A) such amounts as may be deposited in, or appropriated to, such fund as provided in this part; and

“(B) such gifts and bequests as may be made as provided in section 201(i)(1).

“(2) SEPARATION OF FUNDS.—Funds provided under this part to the Account shall be kept separate from all other funds within the Federal Supplemental Medical Insurance Trust Fund.

“(c) PAYMENTS FROM ACCOUNT.—The Managing Trustee shall pay from time to time from the Account such amounts as the Secretary certifies are necessary to make the payments provided for by this part, and the payments with respect to administrative expenses in accordance with section 201(g).

“ADMINISTRATION OF BENEFITS

“SEC. 1860G. (a) IN GENERAL.—The Secretary shall provide for administration of the benefits under this part through a contract with a private entity designated in accordance with subsection (c), for enrolled individuals residing in each service area designated pursuant to subsection (b) (other than such individuals enrolled in a Medicare+Choice program under part C), in accordance with the provisions of this section.

“(b) DESIGNATION OF SERVICE AREAS.—

“(1) IN GENERAL.—The Secretary shall divide the total geographic area served by the programs under this title into at least 15 service areas for purposes of administration of benefits under this part.

“(2) CONSIDERATIONS.—In determining or adjusting the number and boundaries of service areas under this subsection, the Secretary shall seek to ensure that—

“(A) there is a reasonable level of competition among entities eligible to contract to administer the benefit program under this section for each area;

“(B) the designation of areas is consistent with the goal of securing contracts under this section with respect to the maximum feasible number of areas so designated; and

“(C) the designation of areas will foster the existence of a sufficient number of entities that are eligible and willing to administer the benefits under this part.

“(c) DESIGNATION OF PRIVATE ENTITY.—

“(1) AWARD AND DURATION OF CONTRACT.—

“(A) COMPETITIVE AWARD.—Each contract for a service area shall be awarded competitively in accordance with section 5 of title 41, United States Code, for a period (subject to subparagraph (B)) of not less than 2 nor more than 5 years.

“(B) REVIEW.—A contract for a service area shall be subject to an evaluation after 2 years.

“(2) ELIGIBLE PRIVATE ENTITIES.—A private entity eligible for consideration as a private entity responsible for administering the prescription drug benefit program under this part in a service area shall meet at least the following criteria:

“(A) TYPE.—The private entity shall be capable of administering a prescription drug benefit program, and may be a prescription drug vendor, wholesale and retail pharmacist delivery system, health care provider or insurer, any other type of entity as the Secretary may specify, or a consortium of such entities.

“(B) PERFORMANCE CAPABILITY.—The entity shall have sufficient expertise, personnel, and resources to perform effectively the benefit administration functions for such area.

“(C) FINANCIAL INTEGRITY.—The entity and its officers, directors, agents, and managing

employees shall have a satisfactory record of professional competence and professional and financial integrity, and the entity shall have adequate financial resources to perform services under the contract without risk of insolvency.

“(3) PROPOSAL REQUIREMENTS.—

“(A) IN GENERAL.—An entity's proposal for award or renewal of a contract under this section shall include such material and information as the Secretary may require.

“(B) SPECIFIC INFORMATION.—A proposal described in subparagraph (A) shall include a detailed description of—

“(i) the schedule of negotiated prices that will be charged to enrollees;

“(ii) how the entity will deter medical errors that are related to prescription drugs; and

“(iii) proposed contracts with local pharmacy providers designed to ensure access, including compensation for local pharmacists' services.

“(4) EXCEPTIONS TO CONFLICT OF INTEREST RULES.—In awarding contracts under this subsection, the Secretary may waive conflict of interest rules generally applicable to Federal acquisitions (subject to such safeguards as the Secretary may find necessary to impose) in circumstances where the Secretary finds that such waiver—

“(A) is not inconsistent with the purposes of the programs under this title and the best interests of enrolled individuals; and

“(B) will permit a sufficient level of competition for such contracts, promote efficiency of benefits administration, or otherwise serve the objectives of the program under this part.

“(5) MAXIMIZING COMPETITION.—In awarding contracts under this section, the Secretary shall give consideration to the need to maintain sufficient numbers of entities eligible and willing to administer benefits under this part to ensure vigorous competition for such contracts.

“(d) FUNCTIONS OF PRIVATE ENTITY.—The private entity for a service area shall (or in the case of the function described in paragraph (7), may) perform the following functions:

“(1) PARTICIPATION AGREEMENTS, PRICES, AND FEES.—

“(A) PRIVATELY NEGOTIATED PRICES.—Each private entity shall establish, through negotiations with drug manufacturers and wholesalers and pharmacies, a schedule of prices for covered prescription drugs.

“(B) AGREEMENTS WITH PHARMACIES.—Each private entity shall enter into participation agreements under subsection (e) with pharmacies, that include terms that—

“(i) secure the participation of sufficient numbers of pharmacies to ensure convenient access (including adequate emergency access); and

“(ii) permit the participation of any pharmacy in the service area that meets the participation requirements described in subsection (e).

“(C) LISTS OF PRICES AND PARTICIPATING PHARMACIES.—Each private entity shall ensure that the negotiated prices established under subparagraph (A) and the list of pharmacies with agreements under subsection (e) are regularly updated and readily available in the service area to health care professionals authorized to prescribe drugs, participating pharmacies, and enrolled individuals.

“(2) PAYMENT AND COORDINATION OF BENEFITS.—

“(A) PAYMENT.—Each private entity shall—

“(i) administer claims for payment of benefits under this part;

“(ii) determine amounts of benefit payments to be made; and

"(iii) receive, disburse, and account for funds used in making such payments, including through the activities specified in the provisions of this paragraph.

"(B) COORDINATION.—Each private entity shall coordinate with the Secretary, other private entities, pharmacies, and other relevant entities as necessary to ensure appropriate coordination of benefits with respect to enrolled individuals, including coordination of access to and payment for covered prescription drugs according to an individual's in-service area plan provisions, when such individual is traveling outside the home service area, and under such other circumstances as the Secretary may specify.

"(C) EXPLANATION OF BENEFITS.—Each private entity shall furnish to enrolled individuals an explanation of benefits in accordance with section 1806(a), and a notice of the balance of benefits remaining for the current year, whenever prescription drug benefits are provided under this part (except that such notice need not be provided more often than monthly).

"(3) COST AND UTILIZATION MANAGEMENT; QUALITY ASSURANCE.—Each private entity shall have in place effective cost and utilization management, quality assurance measures, and systems to reduce medical errors, including at least the following, together with such additional measures as the Secretary may specify:

"(A) DRUG UTILIZATION REVIEW.—A drug utilization review program conforming to the standards provided in section 1927(g)(2) (with such modifications as the Secretary finds appropriate).

"(B) FRAUD AND ABUSE CONTROL.—Activities to control fraud, abuse, and waste.

"(4) EDUCATION AND INFORMATION ACTIVITIES.—Each private entity shall have in place mechanisms for disseminating educational and informational materials to enrolled individuals and health care providers designed to encourage effective and cost-effective use of prescription drug benefits and to ensure that enrolled individuals understand their rights and obligations under the program.

"(5) BENEFICIARY PROTECTIONS.—

"(A) CONFIDENTIALITY OF HEALTH INFORMATION.—Each private entity shall have in effect systems to safeguard the confidentiality of health care information on enrolled individuals, which comply with section 1106 and with section 552a of title 5, United States Code, and meet such additional standards as the Secretary may prescribe.

"(B) GRIEVANCE AND APPEAL PROCEDURES.—Each private entity have in place such procedures as the Secretary may specify for hearing and resolving grievances and appeals brought by enrolled individuals against the private entity or a pharmacy concerning benefits under this part, which shall, to the extent the Secretary finds necessary and appropriate, include procedures equivalent to those specified in subsections (f) and (g) of section 1852.

"(6) RECORDS, REPORTS, AND AUDITS OF PRIVATE ENTITIES.—

"(A) RECORDS AND AUDITS.—Each private entity shall maintain adequate records, and afford the Secretary access to such records (including for audit purposes).

"(B) REPORTS.—Each private entity shall make such reports and submissions of financial and utilization data as the Secretary may require taking into account standard commercial practices.

"(7) PROPOSAL FOR ALTERNATIVE COINSURANCE AMOUNT.—

"(A) SUBMISSION.—Each private entity may submit a proposal for increased Government cost-sharing for generic prescription drugs, prescription drugs on the private entity's

formulary, or prescription drugs obtained through mail order pharmacies.

"(B) CONTENTS.—The proposal submitted under subparagraph (A) shall contain evidence that such increased cost-sharing would not result in an increase in aggregate costs to the Account, including an analysis of differences in projected drug utilization patterns by beneficiaries whose cost-sharing would be reduced under the proposal and those making the cost-sharing payments that would otherwise apply.

"(8) OTHER REQUIREMENTS.—Each private entity shall meet such other requirements as the Secretary may specify.

"(e) PHARMACY PARTICIPATION AGREEMENTS.—

"(1) IN GENERAL.—A pharmacy that meets the requirements of this subsection shall be eligible to enter an agreement with a private entity to furnish covered prescription drugs and pharmacists' services to enrolled individuals residing in the service area.

"(2) TERMS OF AGREEMENT.—An agreement under this subsection shall include the following terms and requirements:

"(A) LICENSING.—The pharmacy and pharmacists shall meet (and throughout the contract period will continue to meet) all applicable State and local licensing requirements.

"(B) LIMITATION ON CHARGES.—Pharmacies participating under this part shall not charge an enrolled individual more than the negotiated price for an individual drug as established under subsection (d)(1), regardless of whether such individual has attained the benefit limit under section 1860B(b), and shall not charge an enrolled individual more than the individual's share of the negotiated price as determined under the provisions of this part.

"(C) PERFORMANCE STANDARDS.—The pharmacy shall comply with performance standards relating to—

"(i) measures for quality assurance, reduction of medical errors, and participation in the drug utilization review program described in subsection (d)(3)(A);

"(ii) systems to ensure compliance with the confidentiality standards applicable under subsection (d)(5)(A); and

"(iii) other requirements as the Secretary may impose to ensure integrity, efficiency, and the quality of the program.

"(f) FLEXIBILITY IN ASSIGNING WORKLOAD AMONG PRIVATE ENTITIES.—During the period after the Secretary has given notice of intent to terminate a contract with a private entity, the Secretary may transfer responsibilities of the private entity under such contract to another private entity.

"(g) SPECIAL ATTENTION TO RURAL AND HARD-TO-SERVE AREAS.—

"(1) IN GENERAL.—The Secretary shall ensure that all beneficiaries have access to the full range of pharmaceuticals under this part, and shall give special attention to access, pharmacist counseling, and delivery in rural and hard-to-serve areas (as the Secretary may define by regulation).

"(2) SPECIAL ATTENTION DEFINED.—For purposes of paragraph (1), the term 'special attention' may include bonus payments to retail pharmacists in rural areas, extra payments to the private entity for the cost of rapid delivery of pharmaceuticals, and any other actions the Secretary determines are necessary to ensure full access to rural and hard-to-serve beneficiaries.

"(3) GAO REPORT.—Not later than 2 years after the implementation of this part the Comptroller General of the United States shall submit to Congress a report on the access of medicare beneficiaries to pharmaceuticals and pharmacists' services in rural and hard-to-serve areas under this part together with any recommendations of the Comptroller General regarding any addi-

tional steps the Secretary may need to take to ensure the access of medicare beneficiaries to pharmaceuticals and pharmacists' services in such areas under this part.

"(h) INCENTIVES FOR COST AND UTILIZATION MANAGEMENT AND QUALITY IMPROVEMENT.—The Secretary is authorized to include in a contract awarded under subsection (c) such incentives for cost and utilization management and quality improvement as the Secretary may deem appropriate, including—

"(1) bonus and penalty incentives to encourage administrative efficiency;

"(2) incentives under which private entities share in any benefit savings achieved;

"(3) risk-sharing arrangements related to benefit payments; and

"(4) any other incentive that the Secretary deems appropriate and likely to be effective in managing costs or utilization.

"EMPLOYER INCENTIVE PROGRAM FOR EMPLOYMENT-BASED RETIREE DRUG COVERAGE

"SEC. 1860H. (a) PROGRAM AUTHORITY.—The Secretary is authorized to develop and implement a program under this section called the 'Employer Incentive Program' that encourages employers and other sponsors of employment-based health care coverage to provide adequate prescription drug benefits to retired individuals and to maintain such existing benefit programs, by subsidizing, in part, the sponsor's cost of providing coverage under qualifying plans.

"(b) SPONSOR REQUIREMENTS.—In order to be eligible to receive an incentive payment under this section with respect to coverage of an individual under a qualified retiree prescription drug plan (as defined in subsection (f)(3)), a sponsor shall meet the following requirements:

"(1) ASSURANCES.—The sponsor shall—

"(A) annually attest, and provide such assurances as the Secretary may require, that the coverage offered by the sponsor is a qualified retiree prescription drug plan, and will remain such a plan for the duration of the sponsor's participation in the program under this section; and

"(B) guarantee that it will give notice to the Secretary and covered retirees—

"(i) at least 120 days before terminating its plan; and

"(ii) immediately upon determining that the actuarial value of the prescription drug benefit under the plan falls below the actuarial value of the insurance benefit under this part.

"(2) OTHER REQUIREMENTS.—The sponsor shall provide such information, and comply with such requirements, including information requirements to ensure the integrity of the program, as the Secretary may find necessary to administer the program under this section.

"(c) INCENTIVE PAYMENT.—

"(1) IN GENERAL.—A sponsor that meets the requirements of subsection (b) with respect to a quarter in a calendar year shall have payment made by the Secretary on a quarterly basis (to the sponsor or, at the sponsor's direction, to the appropriate employment-based health plan) of an incentive payment, in the amount determined as described in paragraph (2), for each retired individual (or spouse) who—

"(A) was covered under the sponsor's qualified retiree prescription drug plan during such quarter; and

"(B) was eligible for but was not enrolled in the insurance program under this part.

"(2) AMOUNT OF INCENTIVE.—The payment under this section with respect to each individual described in paragraph (1) for a month shall be equal to  $\frac{1}{3}$  of the monthly premium amount payable by an enrolled individual, as set for the calendar year pursuant to section 1860D(a)(2).



“(3) PAYMENT DATE.—The incentive under this section with respect to a calendar quarter shall be payable as of the end of the next succeeding calendar quarter.

“(d) CIVIL MONEY PENALTIES.—A sponsor, health plan, or other entity that the Secretary determines has, directly or through its agent, provided information in connection with a request for an incentive payment under this section that the entity knew or should have known to be false shall be subject to a civil monetary penalty in an amount up to 3 times the total incentive amounts under subsection (c) that were paid (or would have been payable) on the basis of such information.

“(e) PART D ENROLLMENT FOR CERTAIN INDIVIDUALS COVERED BY EMPLOYMENT-BASED RETIREE HEALTH COVERAGE PLANS.—

“(1) ELIGIBLE INDIVIDUALS.—An individual shall be given the opportunity to enroll in the program under this part during the period specified in paragraph (2) if—

“(A) the individual declined enrollment in the program under this part at the time the individual first satisfied section 1860C(a);

“(B) at that time, the individual was covered under a qualified retiree prescription drug plan for which an incentive payment was paid under this section; and

“(C)(i) the sponsor subsequently ceased to offer such plan; or

“(ii) the value of prescription drug coverage under such plan became less than the value of the coverage under the program under this part.

“(2) SPECIAL ENROLLMENT PERIOD.—An individual described in paragraph (1) shall be eligible to enroll in the program under this part during the 6-month period beginning on the first day of the month in which—

“(A) the individual receives a notice that coverage under such plan has terminated (in the circumstance described in paragraph (1)(C)(i)) or notice that a claim has been denied because of such a termination; or

“(B) the individual received notice of the change in benefits (in the circumstance described in paragraph (1)(C)(ii)).

“(f) DEFINITIONS.—In this section:

“(1) EMPLOYMENT-BASED RETIREE HEALTH COVERAGE.—The term ‘employment-based retiree health coverage’ means health insurance or other coverage of health care costs for retired individuals (or for such individuals and their spouses and dependents) based on their status as former employees or labor union members.

“(2) EMPLOYER.—The term ‘employer’ has the meaning given to such term by section 3(5) of the Employee Retirement Income Security Act of 1974 (except that such term shall include only employers of 2 or more employees).

“(3) QUALIFIED RETIREE PRESCRIPTION DRUG PLAN.—The term ‘qualified retiree prescription drug plan’ means health insurance coverage included in employment-based retiree health coverage that—

“(A) provides coverage of the cost of prescription drugs whose actuarial value to each retired beneficiary equals or exceeds the actuarial value of the benefits provided to an individual enrolled in the program under this part; and

“(B) does not deny, limit, or condition the coverage or provision of prescription drug benefits for retired individuals based on age or any health status-related factor described in section 2702(a)(1) of the Public Health Service Act.

“(4) SPONSOR.—The term ‘sponsor’ has the meaning given the term ‘plan sponsor’ by section 3(16)(B) of the Employee Retirement Income Security Act of 1974.

#### “APPROPRIATIONS TO COVER GOVERNMENT CONTRIBUTIONS

“SEC. 1860I. (a) IN GENERAL.—There are authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, to the Prescription Drug Insurance Account, a Government contribution equal to—

“(1) the aggregate premiums payable for a month pursuant to section 1860D(a)(2) by individuals enrolled in the program under this part; plus

“(2) one-half the aggregate premiums payable for a month pursuant to such section for such individuals by former employers.

“(b) APPROPRIATIONS TO COVER INCENTIVES FOR EMPLOYMENT-BASED RETIREE DRUG COVERAGE.—There are authorized to be appropriated to the Prescription Drug Insurance Account from time to time, out of any moneys in the Treasury not otherwise appropriated such sums as may be necessary for payment of incentive payments under section 1860H(c).

#### “PRESCRIPTION DRUG DEFINED

“SEC. 1860J. As used in this part, the term ‘prescription drug’ means—

“(1) a drug that may be dispensed only upon a prescription, and that is described in subparagraph (A)(i), (A)(ii), or (B) of section 1927(k)(2); and

“(2) insulin certified under section 506 of the Federal Food, Drug, and Cosmetic Act, and needles, syringes, and disposable pumps for the administration of such insulin.”

#### (b) STUDY OF ANNUAL OPEN ENROLLMENT.—

(1) STUDY.—During 2002 and 2003, the Secretary shall conduct a study on the feasibility and advisability of establishing an annual open enrollment period for the program under part D (as added by subsection (a)). Such study shall reflect data reported by private entities administering benefits under such part and shall include—

(A) a review of the costs, effectiveness, and administrative feasibility of an annual open enrollment period for beneficiaries who—

(i) previously declined enrollment; or

(ii) who previously disenrolled and desire to reenroll;

(B) an evaluation of a premium penalty for late enrollment based on actuarially determined costs to the program of late enrollment; and

(C) a projection of the costs if open enrollment was allowed without a penalty.

(2) REPORT.—The Secretary shall prepare a report setting forth the outcome of the study and may include in the report a recommendation as to whether an annual open enrollment period should be implemented under such part.

#### (c) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO FEDERAL SUPPLEMENTARY HEALTH INSURANCE TRUST FUND.—Section 1841 of the Social Security Act (42 U.S.C. 1395t) is amended—

(A) in the last sentence of subsection (a)—

(i) by striking “and” after “section 201(i)(1)”; and

(ii) by inserting before the period the following: “, and such amounts as may be deposited in, or appropriated to, the Prescription Drug Insurance Account established by section 1860F”;

(B) in subsection (g), by inserting after “by this part,” the following: “the payments provided for under part D (in which case the payments shall come from the Prescription Drug Insurance Account in the Supplementary Medical Insurance Trust Fund),”;

(C) in the first sentence of subsection (h), by inserting before the period the following: “and section 1860D(b)(4) (in which case the payments shall come from the Prescription Drug Insurance Account in the Supplementary Medical Insurance Trust Fund)”;

(D) in the first sentence of subsection (i)—

(i) by striking “and” after “section 1840(b)(1)”; and

(ii) by inserting before the period the following: “, section 1860D(b)(2) (in which case the payments shall come from the Prescription Drug Insurance Account in the Supplementary Medical Insurance Trust Fund)”.

#### (2) PRESCRIPTION DRUG OPTION UNDER MEDICARE+CHOICE PLANS.—

(A) ELIGIBILITY, ELECTION, AND ENROLLMENT.—Section 1851 of the Social Security Act (42 U.S.C. 1395w-21) is amended—

(i) in subsection (a)(1)(A), by striking “parts A and B” inserting “parts A, B, and D”; and

(ii) in subsection (i)(1), by striking “parts A and B” and inserting “parts A, B, and D”.

(B) VOLUNTARY BENEFICIARY ENROLLMENT FOR DRUG COVERAGE.—Section 1852(a)(1)(A) of such Act (42 U.S.C. 1395w-22(a)(1)(A)) is amended by inserting “(and under part D to individuals also enrolled under that part)” after “parts A and B”.

(C) ACCESS TO SERVICES.—Section 1852(d)(1) of such Act (42 U.S.C. 1395w-22(d)(1)) is amended—

(i) in subparagraph (D), by striking “and” at the end;

(ii) in subparagraph (E), by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following new subparagraph:

“(F) the plan for prescription drug benefits under part D guarantees coverage of any specifically named covered prescription drug for an enrollee, when prescribed by a physician in accordance with the provisions of such part, regardless of whether such drug would otherwise be covered under an applicable formulary or discount arrangement.”

(D) PAYMENTS TO ORGANIZATIONS.—Section 1853(a)(1)(A) of such Act (42 U.S.C. 1395w-23(a)(1)(A)) is amended—

(i) by inserting “determined separately for benefits under parts A and B and under part D (for individuals enrolled under that part)” after “as calculated under subsection (c)”; and

(ii) by striking “that area, adjusted for such risk factors” and inserting “that area. In the case of payment for benefits under parts A and B, such payment shall be adjusted for such risk factors as”; and

(iii) by inserting before the last sentence the following: “In the case of the payments for benefits under part D, such payment shall initially be adjusted for the risk factors of each enrollee as the Secretary determines to be feasible and appropriate. By 2006, the adjustments would be for the same risk factors applicable for benefits under parts A and B.”

(E) CALCULATION OF ANNUAL MEDICARE+CHOICE CAPITATION RATES.—Section 1853(c) of such Act (42 U.S.C. 1395w-23(c)) is amended—

(i) in paragraph (1), in the matter preceding subparagraph (A), by inserting “for benefits under parts A and B” after “capitation rate”; and

(ii) in paragraph (6)(A), by striking “rate of growth in expenditures under this title” and inserting “rate of growth in expenditures for benefits available under parts A and B”; and

(iii) by adding at the end the following new paragraph:

“(8) PAYMENT FOR PRESCRIPTION DRUGS.—The Secretary shall determine a capitation rate for prescription drugs—

“(A) dispensed in 2002, which is based on the projected national per capita costs for prescription drug benefits under part D and associated claims processing costs for beneficiaries under the original medicare fee-for-service program; and

"(B) dispensed in each subsequent year, which shall be equal to the rate for the previous year updated by the Secretary's estimate of the projected per capita rate of growth in expenditures under this title for an individual enrolled under part D."

(F) LIMITATION ON ENROLLEE LIABILITY.—Section 1854(e) of such Act (42 U.S.C. 1395w-24(e)) is amended by adding at the end the following new paragraph:

"(5) SPECIAL RULE FOR PROVISION OF PART D BENEFITS.—In no event may a Medicare+Choice organization include as part of a plan for prescription drug benefits under part D a requirement that an enrollee pay a deductible, or a coinsurance percentage that exceeds 50 percent."

(G) REQUIREMENT FOR ADDITIONAL BENEFITS.—Section 1854(f)(1) of such Act (42 U.S.C. 1395w-24(f)(1)) is amended by adding at the end the following new sentence: "Such determination shall be made separately for benefits under parts A and B and for prescription drug benefits under part D."

(H) PROTECTIONS AGAINST FRAUD AND BENEFICIARY PROTECTIONS.—Section 1857(d) is amended by adding at the end the following new paragraph:

"(6) AVAILABILITY OF NEGOTIATED PRICES.—Each contract under this section shall provide that enrollees who exhaust prescription drug benefits under the plan will continue to have access to prescription drugs at negotiated prices equivalent to the total combined cost of such drugs to the plan and the enrollee prior to such exhaustion of benefits."

(3) EXCLUSIONS FROM COVERAGE.—

(A) APPLICATION TO PART D.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395y(a)) is amended in the matter preceding paragraph (1) by striking "part A or part B" and inserting "part A, B, or D".

(B) PRESCRIPTION DRUGS NOT EXCLUDED FROM COVERAGE IF APPROPRIATELY PRESCRIBED.—Section 1862(a)(1) of such Act (42 U.S.C. 1395y(a)(1)) is amended—

(i) in subparagraph (H), by striking "and" at the end;

(ii) in subparagraph (I), by striking the semicolon at the end and inserting ", and"; and

(iii) by adding at the end the following new subparagraph:

"(J) in the case of prescription drugs covered under part D, which are not prescribed in accordance with such part;"

#### SEC. 102. MEDICAID BUY-IN OF MEDICARE PRESCRIPTION DRUG COVERAGE FOR CERTAIN LOW-INCOME INDIVIDUALS.

(a) STATE OPTION TO BUY-IN DUALY ELIGIBLE INDIVIDUALS.—

(1) COVERAGE OF PREMIUMS AS MEDICAL ASSISTANCE.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d) is amended in the second sentence of the flush matter at the end by striking "premiums under part B" the first place it appears and inserting "premiums under parts B and D".

(2) STATE COMMITMENT TO CONTINUE PARTICIPATION IN PART D AFTER BENEFIT LIMIT REACHED.—Section 1902(a) of such Act (42 U.S.C. 1396a) is amended—

(A) by striking "and" at the end of paragraph (64);

(B) by striking the period at the end of paragraph (65)(B) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(66) provide that in the case of any individual whose eligibility for medical assistance is not limited to medicare or medicare drug cost-sharing and for whom the State elects to pay premiums under part D of title XVIII pursuant to section 1860E, the State will purchase all prescription drugs for such individual in accordance with the provisions

of such part D, without regard to whether the benefit limit for such individual under section 1860B(b) has been reached."

(b) MEDICARE COST-SHARING REQUIRED FOR QUALIFIED MEDICARE BENEFICIARIES.—Section 1905(p)(3) of the Social Security Act (42 U.S.C. 1396d(p)(3)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by striking "and" at the end;

(B) in clause (ii), by inserting "and" at the end; and

(C) by adding at the end the following new clause:

"(iii) premiums under section 1860D;" and

(2) in subparagraph (D)—

(A) by inserting "(i)" after "(D)"; and

(B) by adding at the end the following:

"(ii) The difference between the amount that is paid under section 1860B and the amount that would be paid under such section if any reference to '50 percent' therein were deemed a reference to '100 percent' (or, if the Secretary approves a higher percentage under such section, if such percentage were deemed to be 100 percent)."

(c) MEDICARE DRUG COST-SHARING REQUIRED FOR MEDICARE-ELIGIBLE INDIVIDUALS WITH INCOMES BETWEEN 100 AND 150 PERCENT OF POVERTY LINE.—

(1) DEFINITIONS OF ELIGIBLE BENEFICIARIES AND COVERAGE.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended by adding at the end the following new subsection:

"(x)(1) The term 'qualified medicare drug beneficiary' means an individual—

"(A) who is entitled to hospital insurance benefits under part A of title XVIII (including an individual entitled to such benefits pursuant to an enrollment under section 1818, but not including an individual entitled to such benefits only pursuant to an enrollment under section 1818A);

"(B) whose income (as determined under section 1612 for purposes of the supplemental security income program, except as provided in subsection (p)(2)(D)) is above 100 percent but below 150 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved; and

"(C) whose resources (as determined under section 1613 for purposes of the supplemental security income program) do not exceed twice the maximum amount of resources that an individual may have and obtain benefits under that program.

"(2) The term 'medicare drug cost-sharing' means the following costs incurred with respect to a qualified medicare drug beneficiary, without regard to whether the costs incurred were for items and services for which medical assistance is otherwise available under the plan:

"(A) In the case of a qualified medicare drug beneficiary whose income (as determined under paragraph (1)) is less than 135 percent of the official poverty line—

"(i) premiums under section 1860D; and

"(ii) the difference between the amount that is paid under section 1860B and the amount that would be paid under such section if any reference to '50 percent' therein were deemed a reference to '100 percent' (or, if the Secretary approves a higher percentage under such section, if such percentage were deemed to be 100 percent).

"(B) In the case of a qualified medicare drug beneficiary whose income (as determined under paragraph (1)) is at least 135 percent but less than 150 percent of the official poverty line, a percentage of premiums under section 1860D, determined on a linear sliding scale ranging from 100 percent for individuals with incomes at 135 percent of such

line to 0 percent for individuals with incomes at 150 percent of such line.

"(3) In the case of any State which is providing medical assistance to its residents under a waiver granted under section 1115, the Secretary shall require the State to meet the requirement of section 1902(a)(10)(E) in the same manner as the State would be required to meet such requirement if the State had in effect a plan approved under this title."

(2) STATE PLAN REQUIREMENT.—Section 1902(a)(10)(E) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)) is amended—

(A) in clause (iii), by striking "and" at the end; and

(B) by adding at the end the following new clause:

"(v) for making medical assistance available for medicare drug cost-sharing (as defined in section 1905(x)(2)) for qualified medicare drug beneficiaries described in section 1905(x)(1); and"

(3) 100 PERCENT FEDERAL MATCHING OF STATE MEDICAL ASSISTANCE COSTS FOR MEDICARE DRUG COST-SHARING.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by inserting after paragraph (6) the following new paragraph:

"(7) except in the case of amounts expended for an individual whose eligibility for medical assistance is not limited to medicare or medicare drug cost-sharing, an amount equal to 100 percent of amounts as expended as medicare drug cost-sharing for qualified medicare drug beneficiaries (as defined in section 1905(x)); plus"

(d) MEDICAID DRUG PRICE REBATES UNAVAILABLE WITH RESPECT TO DRUGS PURCHASED THROUGH MEDICARE BUY-IN.—Section 1927 of the Social Security Act (42 U.S.C. 1396r-8) is amended by adding at the end the following new subsection:

"(1) DRUGS PURCHASED THROUGH MEDICARE BUY-IN.—The provisions of this section shall not apply to prescription drugs purchased under part D of title XVIII pursuant to an agreement with the Secretary under section 1860E (including any drugs so purchased after the limit under section 1860B(b) has been exceeded)."

(e) AMENDMENTS TO MEDICARE PART D.—Part D of title XVIII of the Social Security Act (as added by section 2) is amended by inserting after section 1860D the following new section:

"SPECIAL ELIGIBILITY, ENROLLMENT, AND CO-PAYMENT RULES FOR LOW-INCOME INDIVIDUALS

"SEC. 1860E. (a) STATE AGREEMENTS FOR COVERAGE.—

"(1) IN GENERAL.—The Secretary shall, at the request of a State, enter into an agreement with the State under which all individuals described in paragraph (2) are enrolled in the program under this part, without regard to whether any such individual has previously declined the opportunity to enroll in such program.

"(2) ELIGIBILITY GROUPS.—The individuals described in this paragraph, for purposes of paragraph (1), are individuals who satisfy section 1860C(a) and who are—

"(A)(i) eligible individuals within the meaning of section 1843; and

"(ii) in a coverage group or groups permitted under section 1843 (as selected by the State and specified in the agreement); or

"(B) qualified medicare drug beneficiaries (as defined in section 1905(v)(1)).

"(3) COVERAGE PERIOD.—The period of coverage under this part of an individual enrolled under an agreement under this subsection shall be as follows:

“(A) INDIVIDUALS ELIGIBLE (AT STATE OPTION) FOR PART B BUY-IN.—In the case of an individual described in subsection (a)(2)(A), the coverage period shall be the same period that applies (or would apply) pursuant to section 1843(d).

“(B) QUALIFIED MEDICARE DRUG BENEFICIARIES.—In the case of an individual described in subsection (a)(2)(B)—

“(i) the coverage period shall begin on the latest of—

“(I) January 1, 2002;

“(II) the first day of the third month following the month in which the State agreement is entered into; or

“(III) the first day of the first month following the month in which the individual satisfies section 1860C(a); and

“(ii) the coverage period shall end on the last day of the month in which the individual is determined by the State to have become ineligible for medicare drug cost-sharing.

“(b) SPECIAL PART D ENROLLMENT OPPORTUNITY FOR INDIVIDUALS LOSING MEDICAID ELIGIBILITY.—In the case of an individual who—

“(1) satisfies section 1860C(a); and

“(2) loses eligibility for benefits under the State plan under title XIX after having been enrolled under such plan or having been determined eligible for such benefits;

the Secretary shall provide an opportunity for enrollment under the program under this part during the period that begins on the date that such individual loses such eligibility and ends on the date specified by the Secretary.

“(c) DEFINITION.—For purposes of this section, the term ‘State’ has the meaning given such term under section 1101(a) for purposes of title XIX.”

(f) REMOVAL OF SUNSET DATE FOR COST-SHARING IN MEDICARE PART B PREMIUMS FOR CERTAIN QUALIFYING INDIVIDUALS.—

(1) IN GENERAL.—Section 1902(a)(10)(E)(iv) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)(iv)) is amended to read as follows—

“(iv) subject to section 1905(p)(4), for making medical assistance available for medicare cost-sharing described in section 1905(p)(3)(A)(ii) for individuals who would be qualified medicare beneficiaries described in section 1905(p)(1) but for the fact that their income exceeds the income level established by the State under section 1905(p)(2) and is at least 120 percent, but less than 135 percent, of the official poverty line (referred to in such section) for a family of the size involved and who are not otherwise eligible for medical assistance under the State plan;”

(2) RELOCATION OF PROVISION REQUIRING 100 PERCENT FEDERAL MATCHING OF STATE MEDICAL ASSISTANCE COSTS FOR CERTAIN QUALIFYING INDIVIDUALS.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)), as amended by subsection (c)(3), is amended—

(A) by redesignating paragraph (8) as paragraph (9); and

(B) by inserting after paragraph (7) the following new paragraph:

“(8) an amount equal to 100 percent of amounts as expended as medicare drug cost-sharing for individuals described in section 1903(a)(10)(E)(iv); plus”

(3) REPEAL OF SECTION 1933.—Section 1933 is repealed.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 2002.

#### SEC. 103. CATASTROPHIC PRESCRIPTION DRUG COVERAGE BENEFIT.

(a) RECOMMENDATIONS WITH RESPECT TO A MEDICARE CATASTROPHIC DRUG BENEFIT.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the

Secretary of Health and Human Services (in this section referred to as the “Secretary”) shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means and the Committee on Commerce of the House of Representatives detailed recommendations on structuring a catastrophic drug benefit for medicare beneficiaries.

(2) RECOMMENDATIONS DESCRIBED.—The recommendations under paragraph (1) shall—

(A) ensure coverage of the costs of prescription drugs above a specified level of out-of-pocket expenditures;

(B) conform to the administrative structure established in this Act;

(C) have a projected cost that does not exceed the amounts described in subsection (b)(3)(A); and

(D) take effect no later than January 1, 2003.

(3) FINAL REGULATIONS.—

(A) IN GENERAL.—If legislation of a medicare catastrophic drug benefit is not enacted that meets the requirements of paragraph (2) by June 1, 2001, the Secretary of Health and Human Services shall promulgate final regulations containing such standards no later than January 1, 2002.

(B) CERTIFICATION BY OMB AND HCFA.—A final regulation promulgated by the Secretary under subparagraph (A) shall not take effect unless the Director of the Office of Management and Budget and the Chief Actuary of the Health Care Financing Administration certify that aggregate Federal expenses incurred in providing the catastrophic drug benefit under this section will not exceed \$50,000,000,000 between fiscal years 2003 and 2010. If either certification is not provided, the Secretary shall submit a revised recommendation on structuring a catastrophic drug benefit to the appropriate committees of Congress under paragraph (1) no later than 30 days after the Secretary receives a notification that such certification will not be provided.

(b) CATASTROPHIC PRESCRIPTION DRUG COVERAGE RESERVE FUND.—

(1) ESTABLISHMENT OF RESERVE FUND.—There is established a reserve fund which shall be known as the “Catastrophic Prescription Drug Coverage Reserve Fund” (in this subsection referred to as the “Reserve Fund”).

(2) AMOUNTS IN RESERVE FUND.—Subject to subparagraph (B), the Reserve Fund shall consist of such amounts as are appropriated to the Reserve Fund under paragraph (3).

(3) APPROPRIATION TO RESERVE FUND.—

(A) IN GENERAL.—

(i) FISCAL YEARS 2003 THROUGH 2010.—There are appropriated to the Reserve Fund for the period beginning with fiscal year 2003 and ending with fiscal year 2010, \$50,000,000,000.

(ii) SUBSEQUENT FISCAL YEARS.—There are authorized to be appropriated to the Reserve Fund for each subsequent fiscal year, such sums as may be necessary to carry out the provisions of this section.

(B) AVAILABILITY.—Sums appropriated under subparagraph (A)(i) shall remain available, without fiscal year limitation, until expended.

#### SEC. 104. COMPREHENSIVE IMMUNOSUPPRESSIVE DRUG COVERAGE FOR TRANSPLANT PATIENTS.

(a) REVISION OF MEDICARE COVERAGE FOR IMMUNOSUPPRESSIVE DRUGS.—

(1) IN GENERAL.—Section 1861(s)(2)(J) of the Social Security Act (42 U.S.C. 1395x(s)(2)(J)) (as amended by section 227(a) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-354), as enacted into law by section 1000(a)(6) of Public Law 106-113) is amended by striking “, to an individual who receives” and all that follows before the semicolon at the end and

inserting “to an individual who has received an organ transplant”.

(2) CONFORMING AMENDMENTS.—

(A) Section 1832 of the Social Security Act (42 U.S.C. 1395k) (as amended by section 227(b) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-354), as enacted into law by section 1000(a)(6) of Public Law 106-113) is amended—

(i) by striking subsection (b); and

(ii) by redesignating subsection (c) as subsection (b).

(B) Subsections (c) and (d) of section 227 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-355), as enacted into law by section 1000(a)(6) of Public Law 106-113, are repealed.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to drugs furnished on or after the date of enactment of this Act.

(b) EXTENSION OF CERTAIN SECONDARY PAYER REQUIREMENTS.—Section 1862(b)(1)(C) of the Social Security Act (42 U.S.C. 1395y(b)(1)(C)) is amended by adding at the end the following: “With regard to immunosuppressive drugs furnished on or after the date of enactment of the Medicare Expansion for Needed Drugs (MEND) Act of 2000, this subparagraph shall be applied without regard to any time limitation.”

#### SEC. 105. GAO STUDY AND BIENNIAL REPORTS ON COMPETITION AND SAVINGS.

(a) ONGOING STUDY.—The Comptroller General of the United States shall conduct an ongoing study and analysis of the prescription drug benefit program under part D of the medicare program under title XVIII of the Social Security Act (as added by this title), including an analysis of—

(1) the extent to which the competitive bidding process under such program fosters maximum competition and efficiency; and

(2) the savings to the medicare program resulting from such prescription drug benefit program, including the reduction in the number or length of hospital visits.

(b) INITIAL REPORT.—Not later than September 1, 2001, the Comptroller General shall submit to Congress a report on the extent to which the competitive bidding process under the prescription drug benefit program under part D of the medicare program under title XVIII of the Social Security Act (as added by this title) is expected to foster maximum competition and efficiency.

(c) BIENNIAL REPORTS.—Not later than January 1, 2004, and biennially thereafter, the Comptroller General of the United States shall submit to Congress a report on the results of the study conducted under this section, together with any recommendations for legislation that the Comptroller General determines to be appropriate as a result of such study.

#### SEC. 106. MEDPAC STUDY AND ANNUAL REPORTS ON THE PHARMACEUTICAL MARKET, PHARMACIES, AND BENEFICIARY ACCESS.

(a) ONGOING STUDY.—The Medicare Payment Advisory Commission established under section 1805 of the Social Security Act (42 U.S.C. 1395b-6) shall conduct an ongoing study and analysis of the prescription drug benefit program under part D of the Social Security Act (as added by this title), including an analysis of the impact of the prescription drug benefit program on—

(1) the pharmaceutical market, including costs and pricing of pharmaceuticals, beneficiary access to such pharmaceuticals, and trends in research and development;

(2) franchise, independent, and rural pharmacies; and

(3) beneficiary access to prescription drugs, including an assessment of—

(A) out-of-pocket spending;

(B) generic and brand-name utilization; and

(C) pharmacists' services.

(b) REPORT.—Not later than January 1, 2004, and annually thereafter, the Medicare Payment Advisory Commission shall submit to Congress a report on the results of the study conducted under this section, together with any recommendations for legislation that such Commission determines to be appropriate as a result of such study.

## TITLE II—ENHANCED MEDICARE PREVENTION PROGRAM

### SEC. 201. MEDPAC BIENNIAL REPORT.

(a) IN GENERAL.—Section 1805(b) of the Social Security Act (42 U.S.C. 1395b-6(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (C), by striking “and” at the end;

(B) in subparagraph (D), by striking the period and inserting “; and”; and

(C) by adding at the end the following new subparagraph:

“(E) by not later than January 1, 2002, and biennially thereafter, submit the report to Congress described in paragraph (7).”; and

(2) by adding at the end the following new paragraph:

“(7) EVALUATION OF ACTUARIAL EQUIVALENCE OF MEDICARE AND PRIVATE SECTOR BENEFIT PACKAGES.—

“(A) EVALUATION.—The Commission shall—

“(i) evaluate the benefit package offered under the medicare program under this title; and

“(ii) determine the degree to which such benefit package is actuarially equivalent to that offered by health benefit programs available in the private sector to individuals over age 65.

“(B) REPORT.—The Commission shall submit a report to Congress that shall contain—

“(i) a detailed statement of the findings and conclusions of the Commission regarding the evaluation conducted under subparagraph (A);

“(ii) the recommendations of the Commission regarding changes in the benefit package offered under the medicare program under this title that would keep the program modern and competitive in relation to health benefit programs available in the private sector; and

“(iii) the recommendations of the Commission for such legislation and administrative actions as it considers appropriate.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

### SEC. 202. NATIONAL INSTITUTE ON AGING STUDY AND REPORT.

(a) STUDIES.—The Director of the National Institute on Aging shall conduct 1 or more studies focusing on ways to—

(1) improve quality of life for the elderly;

(2) develop better ways to prevent or delay the onset of age-related functional decline and disease and disability among the elderly; and

(3) develop means of assessing the long-term development of cost-effective benefits and cost-savings benefits for health promotion and disease prevention among the elderly.

(b) REPORT.—Not later than January 1, 2006, the Director of the National Institute on Aging shall submit a report to the Secretary regarding each study conducted under subsection (a) and containing a detailed statement of research findings and conclusions that are scientifically valid and are demonstrated to prevent or delay the onset of chronic illness or disability among the elderly.

(c) TRANSMISSION TO INSTITUTE OF MEDICINE.—Upon receipt of each report described

in subsection (b), the Secretary shall transmit such report to the Institute of Medicine of the National Academy of Sciences for consideration in its effort to conduct the comprehensive study of current literature and best practices in the field of health promotion and disease prevention among the medicare beneficiaries described in section 204.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated \$100,000,000 for fiscal years 2001 through 2006 to carry out the purposes of this section.

(2) AVAILABILITY.—Any sums appropriated under the authorization contained in this subsection shall remain available, without fiscal year limitation, until September 30, 2005.

### SEC. 203. INSTITUTE OF MEDICINE 5-YEAR MEDICARE PREVENTION BENEFIT STUDY AND REPORT.

(a) STUDY.—

(1) IN GENERAL.—The Secretary shall contract with the Institute of Medicine of the National Academy of Sciences to conduct a comprehensive study of current literature and best practices in the field of health promotion and disease prevention among medicare beneficiaries including the issues described in paragraph (2) and to submit the report described in subsection (b).

(2) ISSUES STUDIED.—The study required under paragraph (1) shall include an assessment of—

(A) whether each covered benefit is—

(i) medically effective; and

(ii) a cost-effective benefit or a cost-saving benefit;

(B) utilization of covered benefits (including any barriers to or incentives to increase utilization); and

(C) quality of life issues associated with both health promotion and disease prevention benefits covered under the medicare program and those that are not covered under such program that would affect all medicare beneficiaries.

(b) REPORT.—

(1) IN GENERAL.—Not later than 5 years after the date of enactment of this section, and every fifth year thereafter, the Institute of Medicine of the National Academy of Sciences shall submit to the President a report that contains a detailed statement of the findings and conclusions of the study conducted under subsection (a) and the recommendations for legislation described in paragraph (2).

(2) RECOMMENDATIONS FOR LEGISLATION.—The Institute of Medicine of the National Academy of Sciences, in consultation with the Partnership for Prevention, shall develop recommendations in legislative form that—

(A) prioritize the preventive benefits under the medicare program; and

(B) modify preventive benefits offered under the medicare program based on the study conducted under subsection (a).

(c) TRANSMISSION TO CONGRESS.—

(1) IN GENERAL.—On the day on which the report described in subsection (b) is submitted to the President, the President shall transmit the report and recommendations in legislative form described in subsection (b)(2) to Congress.

(2) DELIVERY.—Copies of the report and recommendations in legislative form required to be transmitted to Congress under paragraph (1) shall be delivered—

(A) to both Houses of Congress on the same day;

(B) to the Clerk of the House of Representatives if the House of Representatives is not in session; and

(C) to the Secretary of the Senate if the Senate is not in session.

### SEC. 204. FAST-TRACK CONSIDERATION OF PREVENTION BENEFIT LEGISLATION.

(a) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and is deemed a part of the rules of each House of Congress, but—

(A) is applicable only with respect to the procedure to be followed in that House of Congress in the case of an implementing bill (as defined in subsection (d)); and

(B) supersedes other rules only to the extent that such rules are inconsistent with this section; and

(2) with full recognition of the constitutional right of either House of Congress to change the rules (so far as relating to the procedure of that House of Congress) at any time, in the same manner and to the same extent as in the case of any other rule of that House of Congress.

(b) INTRODUCTION AND REFERRAL.—

(1) INTRODUCTION.—

(A) IN GENERAL.—Subject to paragraph (2), on the day on which the President transmits the report pursuant to section 203(c) to the House of Representatives and the Senate, the recommendations in legislative form transmitted by the President with respect to such report shall be introduced as a bill (by request) in the following manner:

(i) HOUSE OF REPRESENTATIVES.—In the House of Representatives, by the Majority Leader, for himself and the Minority Leader, or by Members of the House of Representatives designated by the Majority Leader and Minority Leader.

(ii) SENATE.—In the Senate, by the Majority Leader, for himself and the Minority Leader, or by Members of the Senate designated by the Majority Leader and Minority Leader.

(B) SPECIAL RULE.—If either House of Congress is not in session on the day on which such recommendations in legislative form are transmitted, the recommendations in legislative form shall be introduced as a bill in that House of Congress, as provided in subparagraph (A), on the first day thereafter on which that House of Congress is in session.

(2) REFERRAL.—Such bills shall be referred by the presiding officers of the respective Houses to the appropriate committee, or, in the case of a bill containing provisions within the jurisdiction of 2 or more committees, jointly to such committees for consideration of those provisions within their respective jurisdictions.

(c) CONSIDERATION.—After the recommendations in legislative form have been introduced as a bill and referred under subsection (b), such implementing bill shall be considered in the same manner as an implementing bill is considered under subsections (d), (e), (f), and (g) of section 151 of the Trade Act of 1974 (19 U.S.C. 2191).

(d) IMPLEMENTING BILL DEFINED.—In this section, the term “implementing bill” means only the recommendations in legislative form of the Institute of Medicine of the National Academy of Sciences described in section 203(b)(2), transmitted by the President to the House of Representatives and the Senate under section 203(c), and introduced and referred as provided in subsection (b) as a bill of either House of Congress.

(e) COUNTING OF DAYS.—For purposes of this section, any period of days referred to in section 151 of the Trade Act of 1974 shall be computed by excluding—

(1) the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of Congress sine die; and

(2) any Saturday and Sunday, not excluded under paragraph (1), when either House is not in session.

Mr. KENNEDY. Mr. President, Senator DASCHLE, Senator MOYNIHAN, and I, and the majority of the members of our caucus are introducing legislation to provide prescription drug coverage under Medicare. It is a program supported not only by the Senate Democrats but by House Democrats and the President as well. Senior citizens deserve prescription drug coverage under Medicare. Democrats are committed to providing it and providing it this year.

It is long past time for Congress to mend the broken promise of Medicare. Medicare is a guarantee of affordable health care for every senior citizen, but that promise is being broken every day because Medicare does not cover prescription drugs. The need is urgent. Too many elderly citizens face an impossible choice between food on the table and medicine they need to stay healthy or to treat their illnesses. They take half the pills their doctors prescribe, or do not even fill a needed prescription at all because they cannot afford the high cost of the prescription.

They pay twice as much for the drugs they need because they pay full price, while almost everyone with private insurance pays less because of negotiated discounts. Too many seniors end up in the hospital at immense cost to Medicare because they cannot afford the drugs they need, or can't afford to take them correctly.

Opponents say we cannot afford this coverage, in spite of the budget surplus. The issue is priorities. Health care for the elderly is more important than new tax breaks for the wealthy.

Others say this coverage should be available only to the elderly who are poor. But senior citizens want Medicare, not welfare. They should not be forced into poverty in order to obtain the medications they need.

The ongoing revolution in health care makes this coverage more essential now than ever. Coverage of prescription drugs under Medicare is as critical today as coverage of hospital and doctor care. Senior citizens need help now. The President knows it, Democrats and the House and Senate know it, senior citizens know it, and so do their children and grandchildren.

Congress should listen to their choices. The time for excuses is over. The time for action is now.

I will take a few moments of the Senate's time to review where we are on the issue of Medicare and Medicare coverage. This chart shows the number of senior citizens who have prescription drug coverage.

Senior citizens lack affordable, reliable, quality coverage.

The only group of senior citizens who have coverage today that is reliable, affordable, and dependable are the 4 million seniors covered under Medicaid. Today, we have 12 million senior citizens who effectively have no coverage at all; that is a third of all of our

senior citizens. Eleven million seniors have employer sponsored coverage, and I will come back to that because employer sponsored coverage is disappearing.

Three million seniors have coverage under Medicare HMOs, 4 million are covered under Medigap—and we will examine that particular phenomenon—4 million under Medicaid, and 3 million now switched plans during the year or have other coverage.

We have a about a third who have no coverage whatsoever. Another third have employer-sponsored coverage, but we are finding that this coverage is declining rapidly. Medicare HMO coverage is also declining, and Medigap coverage is often unaffordable. That is the current situation. Let's look a little further. If we look at the income of senior citizens, what we see is that 57 percent of senior citizens have incomes under \$15,000; 21 percent have incomes above \$15,000 but under \$25,000. If you add those together, obviously 78 percent are below \$25,000. Elderly people in our country have very modest means—very, very modest means.

The average income for a person over 65 is just above \$13,000. The cost of coverage is going up. I just showed a chart of the different types of coverage we had, pointing out one-third of our senior citizens have no coverage, and another third have health coverage that is related to their former job. The next chart shows firms offering retiree health coverage.

The chart indicates coverage "drops 25 percent."

There was a 25-percent drop in employers covering prescription drugs for their retirees in the 3 years from 1994 to 1997. This is a dramatic reduction in coverage.

Remember I showed the other chart that said a third had coverage through employer sponsored retiree benefits? This shows that the number of firms offering retiree health benefits is dropping absolutely dramatically.

We saw there were a number of our senior citizens, about 4 million, who had coverage through Medicare HMOs. Look at what is happening to Medicare HMO coverage. It is inadequate and unreliable.

First of all, the drug benefit is offered only at the option of HMOs, so some HMOs offer coverage and others do not. More than 325,000 Medicare beneficiaries lost their HMO coverage this year. That is because the HMOs moved out of the areas where those seniors live. Seniors lost their coverage. Look at this: 75 percent of Medicare HMOs will limit prescription drug coverage to less than \$1,000 this year. That is an increase of 100 percent in the number of HMOs capping coverage since 1998. And 32 percent of Medicare HMOs have imposed caps of less than \$500 this year. So even though you have 4 million Americans who have prescription drug coverage through Medicare HMOs, what you find out is there is a cap on the amount of prescription

drugs they are able to receive. After that, they pay for all prescription drugs themselves.

What the trend is, the dramatic trend, is that the dollar cap is going down and down, with a third of HMOs having a cap of \$500. Many seniors in Medicare HMOs will exceed the cap. What we find is that Medicare HMO prescription drug coverage is increasingly inadequate and increasingly unreliable.

There is a dramatic reduction in the number of employers providing coverage for retirees, and a dramatic increase in the amount of money that individual seniors are paying out-of-pocket, even if they have some coverage under their HMO.

The third group I pointed out were those who had Medigap coverage, drug coverage which basically is unaffordable. These are sample Medigap premiums for a 75-year-old. In Delaware, just over \$2,600; just under \$2,000 in New York and Iowa; and just under \$2,400 in Maine and Mississippi.

Against that background, what has been happening to the cost of drugs? The average seniors income is just above \$13,500. A third of all of our seniors have no coverage; another third are losing it dramatically. We find that 4 million of the remaining have increasingly limited coverage due to caps, so they are paying more and more out of pocket. Medigap, which is another way they are able to get some coverage, is going right up through the roof. So they are being hard-pressed, and all at a time that 78 percent of all the elderly people have incomes below \$25,000.

Let's see what is happening to the cost of prescription drugs. Since 1995, drug costs have been growing at double-digit rates. On this chart: Percent increases in drug costs. Let's look at the increase in the cost of the drugs: almost 10 percent in 1995, 10 percent in 1996, 14 percent in 1997, almost 16 percent in 1998, 16 percent in 1999.

Let's compare that to the Consumer Price Index for all goods. It is 2.5 percent in 1995, it is 3.3 percent in 1996, 1.7 percent in 1997—1.7 percent cost-of-living increase and look at the cost of the prescription drugs—14 percent. In 1998 it is 1.6, and 2.7 in 1999, and look at the cost of these drugs.

This is not just a peripheral issue for our seniors. When we passed the Medicare program in 1964, as we heard so eloquently today from both our leader on this side, Senator DASCHLE, and Congressman GEPHARDT, we had a lot of the same kinds of criticisms that are being made now against this program: This is the beginning of a takeover by the Federal Government; this is the beginning of socialism.

Of course, they were wrong then and we were right because the Medicare program has worked. But one area we did not take care of was prescription drugs because private coverage at that time did not provide for drug coverage.

I daresay prescription drugs are as necessary for our senior citizens today as hospital care or doctor care.

Prescription drugs coverage is necessary for elderly people. Yet it is left out. In a very important way, our Medicare system is not living up to its guarantee—for the men and women who fought in the wars and brought this country out of the depths of the Depression and have educated their children—to live their golden years with a degree of security and peace with respect to their health care needs under Medicare. We are now finding now with that major gap—today, more than 95 percent of the private sector provides prescription drug coverage although they are dropping it for retirees—that Medicare does not provide prescription drug coverage. It is a major gap.

We are saying: Let's fill that gap; let's meet our commitment to our seniors; let's include under Medicare a program that is going to be worthy of our names and which is absolutely essential if we are going to have our seniors—our parents and grandparents—live in the peace, dignity, and security they deserve.

That is why we believe the program ought to be voluntary, there ought to be coverage for all, it ought to provide basic coverage and have catastrophic coverage, and it ought to be affordable.

The President has embraced and endorsed the program, and it is endorsed by the overwhelming majority of our caucus in the Senate and in the House of Representatives, and it is strongly supported by our leader and Mr. GEPHARDT.

The President in the Rose Garden today asked our Republican friends to join in this effort to pass this legislation this year. We have to pass something that is going to be meaningful and worthy of our efforts. He invited our Republican friends to join us in this effort and outlined the program and spelled out the details as well as the cost of this program.

When we pass this program and send it to the President's desk, we in the Congress will say: Why did it take us so long? Every day we delay passing this program, millions of our fellow citizens are being asked to make decisions about their very lives which they should not have to make. That is wrong. We ought to respond. We know how to do it. The question is whether we have the will.

We are going to insist this Senate and House of Representatives address this issue in this Congress. We give those assurances to the American people, and we invite our friends on the other side of the aisle to join us in meeting our responsibilities to our senior citizens.

Mr. BIDEN. Mr. President, I am pleased today to join Senator DASCHLE and 31 of my colleagues in introducing the Medicare Expansion for Needed Drugs Act. This important legislation would expand the Medicare program to

provide outpatient prescription drug coverage for seniors and other Medicare beneficiaries.

This bill is long overdue, one might say 35 years overdue. When Medicare was first crafted in the mid 1960's, life-saving medicine tended to be focused on surgical procedures: appendectomy, mastectomy, and so forth. Medications were being increasingly used to treat serious medical conditions, such as antibiotics to treat infections. However, for most illnesses, the medicine cabinet contained few options.

The advances that have been made in the past 4 decades in the use of pharmaceuticals are nothing short of phenomenal. Diseases that were incurable by any means are now cured by drugs alone. For example, in 1965, childhood leukemia was inevitably fatal. Now, thanks to new medicines, it is almost always curable.

In addition, in many instances new medications have enabled us to avoid the need for surgical treatment altogether. In 1965, intractable pain from stomach ulcers was a common indication for surgery. In 2000, we have highly effective medications to cut down on stomach acid, which have virtually eliminated the need for that kind of surgery. Not only that, but since we have discovered that most stomach ulcers are really due to a bacterium, we can cure the condition entirely with antibiotics.

However, all too often, the elderly and disabled cannot take advantage of these major advances in drug treatment because the Medicare program does not pay for outpatient prescription drugs. How ridiculous is that?: that the group in our society that is the sickest, that could benefit most from these medications, is the one group that is denied access to them.

You would be hard pressed to name another health program in this country that doesn't pay for outpatient prescription drugs. Virtually all private health plans do. Even looking at the Federal government: Medicaid, Tricare, the VA, the Federal Employees Health Benefits Program, they all pay for prescription drugs. Only Medicare, the medical program for the elderly and disabled, is singled out for special limitations.

What is the consequence of this Medicare limitation? Just two weeks ago, the New York Times had a cover story on the plight of Albert Russell, a retiree who lives on an \$832 Social Security check. Mr. Russell is nearly blind from glaucoma, a condition in which the pressure inside the eye is too high. When the new drug Xalatan was released in 1996, Mr. Russell's eye doctor tried it and found that it was just what Mr. Russell needed; it reduced the pressure in his eyes better than the alternatives. The problem was the cost of the drug: \$1 per day. After several years on the medicine, Mr. Russell could no longer afford the cost, so he had to stop taking the medicine. Of course, Medicare would not pay for

such an outpatient prescription drug. In an attempt to save Mr. Russell's vision, his eye doctor recommended an alternative: an expensive eye surgery. For Mr. Russell, the surgery would not be as effective as the medication, but there was one big factor in its favor: Medicare would have no reluctance about paying for the surgery. So, as compared to surgery, the medication would be better and easier for Mr. Russell, and probably cheaper in the long run for the taxpayer, but under the current Medicare situation, this common sense solution is out-of-bounds. This situation must be changed.

So what's in this bill for consumers? The bill makes prescription drug coverage voluntary and available to all Medicare beneficiaries. There is no deductible required, and there is an out-of-pocket cap that puts an absolute maximum limit on how much one person will have to pay for drugs in any given year. Participants pay a monthly premium, and the government splits the cost of drugs 50/50 with the beneficiary (up to a gradually increasing limit). There is absolutely no question that this bill is an important improvement for the health of our seniors.

I think it is important to keep in mind what this bill is not. First, it is not perfect. The coverage for prescription drugs is not in parity with coverage for alternative medical treatments, such as surgery. This difference reflects cost constraints, but I am optimistic that this aspect can be addressed in future legislation.

Second, this bill is not for everyone. Individuals who have better coverage of prescription drugs than is afforded in this bill, perhaps through an employer-sponsored retiree health plan, can keep that coverage. In fact, employers will be offered subsidies to encourage them to maintain prescription drug coverage for their retirees.

Third, this bill is not a prelude to price controls on drugs. The legislation makes no mention of or need for price controls, and it is not our intention to propose or implement price controls. This bill deals primarily with access to pharmaceuticals, not their cost. The high cost of medications is a concern to many of us in this country, but that is a very complex problem that is not, and should not be, addressed in this bill.

Finally, this bill is not the comprehensive overhaul of the Medicare program that we all agree is needed. The 1965 program needs to be brought up to new millennium standards to make it easier for the program to keep up with rapid future advances in medical technology. The benefit package (including enhanced preventive measures), the financing of graduate medical education, the provider payment mechanisms; these are all items that must be addressed. But not in this bill. Seniors need help now with prescription drugs, and they cannot wait the months or years that it will take to complete the needed comprehensive revision of Medicare.

Mr. President, I encourage all of my colleagues on both sides of the aisle to work together to enact this legislation and to make sure that our Medicare beneficiaries aren't relegated to a second class health care system.

Mr. ROBB. Mr. President, I wanted to say a few words about the Medicare Expansion for Needed Drugs, or MEND Act, which our leader, Senator DASCHLE introduced today. The MEND Act an important first step toward modernizing Medicare through the creation of a voluntary, affordable, universal prescription drug benefit.

While the bill has many elements that I support, I am also interested in looking at ways that we might create a prescription drug bill that distributes its benefits for senior citizens in a more targeted way. I am working with several of my colleagues on the Finance Committee to create such a bill, and hope to introduce it in the next two weeks. With it, we will have two strong options for giving our seniors the help they so desperately need with the skyrocketing costs of prescription drugs.

Mr. President, I applaud the minority leader for his determination in working to help our nation's seniors with the high cost of prescription drugs, and for his efforts in bringing this bill to the floor.

#### ADDITIONAL COSPONSORS

S. 345

At the request of Mr. GREGG, his name was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 515

At the request of Mr. AKAKA, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 515, a bill to amend the Packers and Stockyards Act of 1921, to make it unlawful for any stockyard owner, market agency, or dealer to transfer or market nonambulatory livestock, and for other purposes.

S. 662

At the request of Mr. L. CHAFEE, the names of the Senator from North Carolina (Mr. HELMS) and the Senator from Arizona (Mr. MCCAIN) were added as cosponsors of S. 662, a bill to amend title XIX of the Social Security Act to provide medical assistance for certain women screened and found to have breast or cervical cancer under a federally funded screening program.

S. 664

At the request of Mr. L. CHAFEE, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 664, a bill to amend the Internal Revenue Code of 1976 to provide a credit against income tax individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 818

At the request of Mr. DEWINE, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of S. 818, a bill to require the Secretary of Health and Human Services to conduct a study of the mortality and adverse outcome rates of medicare patients related to the provision of anesthesia services.

S. 890

At the request of Mr. WELLSTONE, the names of the Senator from Nebraska (Mr. KERREY) and the Senator from Hawaii (Mr. INOUE) were added as cosponsors of S. 890, a bill to facilitate the naturalization of aliens who served with special guerrilla units of irregular forces in Laos.

S. 1053

At the request of Mr. BOND, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1053, a bill to amend the Clean Air Act to incorporate certain provisions of the transportation conformity regulations, as in effect on March 1, 1999.

S. 1155

At the request of Mr. ROBERTS, the names of the Senator from Montana (Mr. BAUCUS) and the Senator from Oklahoma (Mr. INHOFE) were added as cosponsors of S. 1155, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for uniform food safety warning notification requirements, and for other purposes.

S. 1163

At the request of Mr. BENNETT, the names of the Senator from Louisiana (Ms. LANDRIEU), the Senator from Alabama (Mr. SHELBY), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Michigan (Mr. ABRAHAM), and the Senator from California (Mrs. BOXER) were added as cosponsors of S. 1163, a bill to amend the Public Health Service Act to provide for research and services with respect to lupus.

S. 1368

At the request of Mr. TORRICELLI, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1368, a bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 and related laws to strengthen the protection of native biodiversity and ban clearcutting on Federal land, and to designate certain Federal land as ancient forests, roadless areas, watershed protection areas, special areas, and Federal boundary areas where logging and other intrusive activities are prohibited.

S. 1747

At the request of Mr. BENNETT, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 1747, a bill to amend the Federal Election Campaign Act of 1971 to exclude certain Internet communications from the definition of expenditure.

S. 1805

At the request of Mr. KENNEDY, the name of the Senator from Connecticut

(Mr. LIEBERMAN) was added as a cosponsor of S. 1805, a bill to restore food stamp benefits to aliens, to provide States with flexibility in administering the food stamp vehicle allowance, to index the excess shelter expense deduction to inflation, to authorize additional appropriations to purchase and make available additional commodities under the emergency food assistance program, and for other purposes.

S. 1886

At the request of Mr. INHOFE, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 1886, a bill to amend the Clean Air Act to permit the Governor of a State to waive the oxygen content requirement for reformulated gasoline, to encourage development of voluntary standards to prevent and control releases of methyl tertiary butyl ether from underground storage tanks, and for other purposes.

At the request of Mr. INHOFE, the name of the Senator from Ohio (Mr. VOINOVICH) was withdrawn as a cosponsor of S. 1886, *supra*.

S. 1921

At the request of Mr. CAMPBELL, the names of the Senator from Vermont (Mr. JEFFORDS) and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S. 1921, a bill to authorize the placement within the site of the Vietnam Veterans memorial of a plaque to honor Vietnam veterans who died after their service in the Vietnam war, but as a direct result of that service.

S. 1933

At the request of Mr. THOMPSON, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 1933, a bill to amend the Internal Revenue Code of 1986 to permit the consolidation of life insurance companies with other companies.

S. 2031

At the request of Mr. DODD, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 2031, a bill to amend the Fair Labor Standards Act of 1938 to prohibit the issuance of a certificate for subminimum wages for individuals with impaired vision or blindness.

S. 2044

At the request of Mr. CAMPBELL, the name of the Senator from Nevada (Mr. BRYAN) was added as a cosponsor of S. 2044, a bill to allow postal patrons to contribute to funding for domestic violence programs through the voluntary purchase of specially issued postage stamps.

S. 2274

At the request of Mr. GRASSLEY, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2274, a bill to amend title XIX of the Social Security Act provide families and disabled children with the opportunity to purchase coverage under the medical program for such children.

S. 2299

At the request of Mr. L. CHAFEE, the name of the Senator from Kansas (Mr.



ROBERTS) was added as a cosponsor of S. 2299, a bill to amend title XIX of the Social Security Act to continue State Medicaid disproportionate share hospital (DSH) allotments for fiscal year 2001 at the levels for fiscal year 2000.

S. 2311

At the request of Mr. SCHUMER, his name was added as a cosponsor of S. 2311, a bill to revise and extend the Ryan White CARE Act programs under title XXVI of the Public Health Service Act, to improve access to health care and the quality of health care under such programs, and to provide for the development of increased capacity to provide health care and related support services to individuals and families with HIV disease, and for other purposes.

S. 2320

At the request of Mr. JEFFORDS, the name of the Senator from Rhode Island (Mr. L. CHAFEE) was added as a cosponsor of S. 2320, a bill to amend the Internal Revenue Code of 1986 to allow a refundable tax credit for health insurance costs, and for other purposes.

S. 2330

At the request of Mr. ROTH, the names of the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Kentucky (Mr. BUNNING), the Senator from South Carolina (Mr. THURMOND), and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of S. 2330, a bill to amend the Internal Revenue Code of 1986 to repeal the excise tax on telephone and other communication services.

S. 2344

At the request of Mr. BROWNBACK, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 2344, a bill to amend the Internal Revenue Code of 1986 to treat payments under the Conservation Reserve Program as rentals from real estate.

S. 2386

At the request of Mrs. FEINSTEIN, the names of the Senator from Pennsylvania (Mr. SPECTER), the Senator from Iowa (Mr. HARKIN), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Arizona (Mr. MCCAIN) were added as cosponsors of S. 2386, a bill to extend the Stamp Out Breast Cancer Act.

S. 2394

At the request of Mr. MOYNIHAN, the name of the Senator from Rhode Island (Mr. L. CHAFEE) was added as a cosponsor of S. 2394, a bill to amend title XVIII of the Social Security Act to stabilize indirect graduate medical education payments.

S. 2434

At the request of Mr. L. CHAFEE, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 2434, a bill to provide that amounts allotted to a State under section 2401 of the Social Security Act for each of fiscal years 1998 and 1999 shall remain available through fiscal year 2002.

S. 2443

At the request of Mr. DURBIN, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 2443, a bill to increase immunization funding and provide for immunization infrastructure and delivery activities.

S. 2460

At the request of Mr. FEINGOLD, the name of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 2460, a bill to authorize the payment of rewards to individuals furnishing information relating to persons subject to indictment for serious violations of international humanitarian law in Rwanda, and for other purposes.

S. 2514

At the request of Mr. GRAMS, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 2514, a bill to improve benefits for members of the reserve components of the Armed Forces and their dependents.

S. 2526

At the request of Mr. CAMPBELL, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of S. 2526, a bill to amend the Indian Health Care Improvement Act to revise and extend such Act.

S. CON. RES. 100

At the request of Mr. HAGEL, the names of the Senator from South Dakota (Mr. DASCHLE), the Senator from Rhode Island (Mr. L. CHAFEE), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Missouri (Mr. ASHCROFT), the Senator from Kansas (Mr. ROBERTS), and the Senator from Alabama (Mr. SHELBY) were added as cosponsors of S. Con. Res. 100, a concurrent resolution expressing support of Congress for a National Moment of Remembrance to be observed at 3:00 p.m. eastern standard time on each Memorial Day.

S.J. RES. 44

At the request of Mr. KENNEDY, the names of the Senator from Maine (Ms. COLLINS), the Senator from Arizona (Mr. MCCAIN), the Senator from Iowa (Mr. GRASSLEY), the Senator from Vermont (Mr. JEFFORDS), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Maryland (Ms. MIKULSKI), the Senator from Minnesota (Mr. WELLSTONE), the Senator from Indiana (Mr. BAYH), the Senator from Georgia (Mr. CLELAND), and the Senator from Nebraska (Mr. KERREY) were added as cosponsors of S.J. Res. 44, a joint resolution supporting the Day of Honor 2000 to honor and recognize the service of minority veterans in the United States Armed Forces during World War II.

S. RES. 247

At the request of Mr. CAMPBELL, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. Res. 247, a resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their

lives while serving as law enforcement officers.

## AMENDMENTS SUBMITTED

## EDUCATIONAL OPPORTUNITIES ACT

## BOND AMENDMENT NO. 3145

(Ordered to lie on the table.)

Mr. BOND submitted an amendment intended to be proposed by him to the bill (S. 2) to extend programs and activities under the Elementary and Secondary Act of 1965; as follows:

At the end of Title X—General Provisions, insert the following section:

**SEC. . DIRECT CHECK PILOT PROGRAM.**

(a) **SHORT TITLE.**—This part may be cited as the "Direct Check for Education Pilot Program".

(b) **FINDINGS.**—Congress finds that—

(1) education should be a national priority but must remain a local responsibility;

(2) the Federal Government's competitive grant regulations and involvement often create barriers and obstacles to local creativity and reform;

(3) parents, teachers, and local school districts must be allowed and empowered to set local education priorities; and

(4) schools and education professionals must be accountable to the people and children served.

(c) **DEFINITION.**—

(1) **COMPETITIVE GRANTS.**—The term "competitive grants" means programs in which local school districts apply directly to the Department of Education and which funding is determined and distributed by the Department to local school districts. This does not include formula funds.

(d) **DIRECT AWARDS TO LOCAL EDUCATIONAL AGENCIES.**—

(1) **DIRECT AWARDS.**—From amounts appropriated for competitive grant programs included in this Act and provided for under paragraph (3), the Secretary shall make direct awards to not more than 50 local educational agencies in amounts determined under paragraph (3) to enable the local educational agencies to support programs or activities, for kindergarten through grade 12 students, that the local educational agencies deem appropriate.

(A) Priority consideration shall be given by the Secretary to the first applicant from each State that is eligible. Sixty days after the application deadline for this section as set by the Secretary, the Secretary may make funding available to multiple local educational agencies within a State as long as the total number of participating local educational agencies does not exceed fifty.

(2) **FUNDING.**—From amounts appropriated on an annual fiscal year basis for competitive grant programs included in this act, with the exclusion of Title II, the Secretary shall provide an amount from these funds available as determined under paragraph (3).

(3) **DETERMINATION OF AMOUNT.**—

(A) **PER CHILD AMOUNT.**—The Secretary, using the information provided under subsection (e), shall determine a per child amount for a year by dividing the total amount appropriated under subsection (d)(2) for the year, by the average daily attendance of kindergarten through grade 12 students in all States for the preceding year.

(B) **LOCAL EDUCATIONAL AGENCY AWARD.**—The Secretary, using the information provided under subsection (e), shall determine

the amount provided to each local educational agency under this section for a year by multiplying.—

(i) the per child amount determined under subparagraph (A) for the year; by

(ii) the average daily attendance of kindergarten through grade 12 students that are served by the local educational agency for the preceding year.

(e) CENSUS DETERMINATION.—

(1) IN GENERAL.—Each local educational agency shall conduct a census to determine the average daily attendance of kindergarten through grade 12 students served by the local educational agency not later than December 1 of each year.

(2) SUBMISSION.—Each local educational agency shall submit the number described in paragraph (1) to the Secretary not later than March 1 of each year.

(f) PENALTY.—If the Secretary determines that a local educational agency has knowingly submitted false information under subsection (e) for the purpose of gaining additional funds under this section, then the local educational agency shall be fined an amount equal to twice the difference between the amount the local educational agency received under this section, and the correct amount the local educational agency would have received under this section if the agency had submitted accurate information under subsection (e).

(g) DISBURSAL.—The Secretary shall disburse the amount awarded to a local educational agency under this section for a fiscal year not later than July 1 of each year.

#### MILITARY CONSTRUCTION APPROPRIATIONS ACT, 2001

#### ROBB AMENDMENT NO. 3146

(Ordered to lie on the table.)

Mr. ROBB submitted an amendment intended to be proposed by him the bill (S. 2521) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2001, and for other purposes; as follows:

At the appropriate place, insert the following:

#### OPERATION AND MAINTENANCE, NAVY

Out of any money in the Treasury not otherwise appropriated, there is appropriated for the fiscal year ending September 30, 2000, for expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law, \$220,000,000: *Provided*, That the amount made available by this heading shall be available for ship depot maintenance; *Provided further*, That the entire amount made available by this heading is designated as an emergency requirement under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

• Mr. ROBB. Mr. President, tomorrow I intend to offer an amendment (No. 3146) to address our critical ship maintenance shortfalls in fiscal year 2000 as part of the military construction appropriations bill for fiscal year 2001. I am filing this amendment tonight. •

#### NOTICE OF HEARING

#### PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Ms. COLLINS. Mr. President, I would like to announce for the information of

the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold a hearing entitled "Phony IDs And Credentials On The Internet." This Subcommittee hearing will focus on the widespread availability of false identification documents and credentials on the Internet and the criminal uses to which such identification is put.

The hearing will take place on Friday, May 19, 2000, at 9:00 a.m., in Room 342 of the Dirksen Senate Office Building. For further information, please contact Lee Blalack of the Subcommittee staff at 224-3721.

#### AUTHORITY FOR COMMITTEES TO MEET

##### COMMITTEE ON ARMED SERVICES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the full Committee on Armed Services be authorized to meet at 9:30 a.m. on Wednesday, May 10, 2000, in executive session, to mark up the FY 2001 Defense authorization bill.

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

##### COMMITTEE ON FOREIGN RELATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 10, 2000, at 2 p.m. to hold a hearing.

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

##### COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Wednesday, May 10, 2000, at 9:30 a.m., for a hearing to consider the nominations of Anna Blackburne-Rigsby, Thomas Motley, and John Mott to be Associate Judges of the Superior Court of the District of Columbia.

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

##### COMMITTEE ON INDIAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, May 10, 2000, at 9:30 a.m., to conduct a hearing on draft legislation to reauthorize the Indian Health Care Improvement Act. A business meeting on pending business will precede the hearing—agenda to be announced. The hearing will be held in the committee room, 485 Russell Senate Building.

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

##### COMMITTEE ON THE JUDICIARY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Wednesday, May 10, 2000, at 2 p.m., in SD226.

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

##### SELECT COMMITTEE ON INTELLIGENCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 10, 2000 at 2:30 p.m. to hold a closed hearing.

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

##### SUBCOMMITTEE ON FORESTS AND PUBLIC LANDS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Lands of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, May 10, at 2:30 p.m. to conduct an oversight hearing. The subcommittee will receive testimony on the United States Forest Service's proposed regulations governing National Forest Planning.

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

##### SUBCOMMITTEE ON INTERNATIONAL OPERATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on International Operations be authorized to meet during the session of the Senate on Wednesday, May 10, 2000 at 10:30 a.m. to hold a hearing.

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

#### PRIVILEGES OF THE FLOOR

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that two members of my staff, John Sparrow, a Presidential management intern, and Jerome Pannullo, a legislative fellow, be granted access to the Senate floor for the duration of the debate on H.R. 434.

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent that Kurt Kovarik, a member of my staff, be given privileges of the floor this afternoon.

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

#### APPOINTMENT

THE PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 106-173, appoints the following individuals to serve as members of the Abraham Lincoln Bicentennial Commission: the Senator from Illinois (Mr. DURBIN), and Dr. Jean T.D. Bandler of Connecticut.

#### MEASURE READ THE FIRST TIME—H.R. 4386

Mr. BROWNBACK. Mr. President, I understand that H.R. 4386, which has just been received from the House, is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 4386) to amend title XIX of the Social Security Act to provide medical assistance for certain women screened and found to have breast or cervical cancer under a federally funded screening program, to amend the Public Health Service Act and the

Federal Food, Drug, and Cosmetic Act with respect to surveillance and information concerning the relationship between cervical cancer and the human papillomavirus (HPV), and for other purposes.

Mr. BROWNBAC. Mr. President, I ask for its second reading and object to my own request.

The PRESIDING OFFICER. Objection is heard. Under the rule, the bill will be read the second time the following day.

#### ORDERS FOR THURSDAY, MAY 11, 2000

Mr. BROWNBAC. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Thursday, May 11. I further ask unanimous consent that on Thursday, immediately following the prayer, the routine requests through the morning hour be granted, the time for the two leaders be reserved for their use later in the day, and the Senate then resume debate on the conference report to accompany H.R. 434, the African Growth and Opportunity Act. I further ask unanimous consent that the scheduled cloture vote occur at 10 a.m. on Thursday, with the time until 10 a.m. equally divided in the usual form.

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

#### PROGRAM

Mr. BROWNBAC. Mr. President, for the information of all Senators, tomorrow from 9:30 a.m. until 10 a.m., the Senate will debate the conference report to accompany the African trade/Caribbean trade initiative. At 10 a.m., the Senate will proceed to a cloture vote on that legislation. If cloture is invoked, it is hoped a short time agreement can be made so a final passage vote can take place at a reasonable time. On Thursday, the Senate is also expected to begin consideration of the military construction appropriations bill. Therefore, additional votes will occur during tomorrow's session of the Senate.

#### ORDER FOR ADJOURNMENT

Mr. BROWNBAC. 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, following the remarks of Senator DASCHLE and Senator EDWARDS.

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

(The remarks of Mr. DASCHLE pertaining to the introduction of S. 2541 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

#### AFRICAN-CARIBBEAN TRADE

Mr. EDWARDS. Mr. President, I rise today to oppose the conference report

on the Trade and Development Act of 2000, the so-called African-Caribbean trade bill.

When we debated this bill last October, I expressed my concerns about it, and what has happened is the fruition of what I was concerned about at that time. A bill that was bad when it left the Senate last October has become worse. This bill creates enormous risks for American textile businesses and American textile workers, with very little in the way of offsetting benefits.

Let me speak for a couple of minutes about what I think is wrong with this bill and what kind of risk I think it creates for American workers. When we negotiate trade agreements, in my judgment, there are certain fundamental principles that should always be adhered to: First, they must be negotiated and multilateral; that is, both sides give up something; second, that they create a fair and enforceable system so the trade agreements don't become an empty shell but in fact there is a real and meaningful mechanism for enforcing the trade agreements; third, they must have adequate labor and environmental protections; and, fourth, they must have real, tangible, and provable benefits for U.S. businesses and U.S. workers.

These bills do not meet those basic principles that ought to be complied with on every single trade agreement.

Senator FEINGOLD spoke very eloquently about the lack of adequate labor and environmental protections in these bills.

There are two other principles that have been violated in these bills. First is the requirement that they be multilateral and negotiated, the simple proposition being that if the American people and we as a country are going to lower our barriers, we ought to get something in return. That "something" is that the other countries that are subject to these trade agreements lower their barriers. That simply has not happened here.

What is happening is we are lowering our trade barriers while these other Caribbean and African nations are keeping their trade barriers completely in place. Their tariffs remain just as they were. There is no set of circumstances under which that kind of arrangement is equitable for American business or equitable for American workers.

Second, there has to be a real and meaningful mechanism for enforcing these provisions. One of the things that happened to this bill when it left the Senate is there was a complex set of enforcement mechanisms and provisions put in place. When the bill left the Senate, we had what was called yarn and fabric forward provisions, which basically said, as a matter of equity, we would allow the trade barriers to be lowered for those African and Caribbean nations that used yarn and fabric from the United States so that our workers and our businesses benefited.

Well, when the bill got to conference with the House bill, those provisions were changed. Now there are many African nations that are not required to use American yarn or American fabric. Secondly, they are allowed to use regional yarn and fabric; that is, yarn and fabric from that area.

So those are two significant changes in the bill since it left the floor of the Senate which have real and meaningful impact on American business and American workers.

Probably the more dangerous situation, though, is that created by the potential for transshipment. We talked about this on the floor of the Senate when this bill was debated the first time, and my colleagues are aware of this problem.

Transshipment, basically, is a situation where a country, such as China, which I think has the greatest potential for taking advantage of transshipment, ships their fabric and their goods through Africa only for the purpose of having a button sewn on or some other minor change in the product, and then the product is shipped to the United States.

The antitransshipment provisions of this bill are simply not adequate for a variety of reasons. One of the two most important is that the enforcement mechanism relies upon African countries for enforcement. The reality is—and all of us know it—that these African nations are not going to be able to enforce the provisions about transshipment. And we are going to have—at least there is real potential for—a massive transshipment by China and Chinese textile businesses through Africa to the United States. Transshipment has a real and devastating effect on American workers and American businesses, and we have seen some of those effects over the last 8 to 10 years.

I have some specific examples of this. In North Carolina, my home State, during 1999, these were the jobs that were lost as a result of cheap textile goods coming into the United States:

At Pluma, Inc., a plant located in Eden, NC, a small community, 500 jobs were lost when the plant was closed. Jasper closed a plant in Whiteville, NC, in September and 191 jobs were lost. Whiteville Apparel in Whiteville, NC, closed a plant in August and 396 jobs were lost. Stonecutter Mills in Rutherford and Polk in western North Carolina closed a plant in June—800 jobs lost. Dyersburg in Hamilton, NC, closed a plant in May—422 jobs lost. Levi Strauss closed a plant in Murphy—382 jobs lost.

Remember that we are only talking about 1999 at this point.

Burlington Industries, in January, closed plants in Cramerton, Forest City, Mooresville, Raeford, Oxford, and Statesville—2,600 jobs lost as a result; all of those occurring in 1999.

In 1999 alone, the South lost 55,000 textile and apparel jobs.

This is not an abstract position for the families and employees whose lives

are devastated as a result of these cheap goods coming into the United States.

A perfect example is Margie Brown. You heard me talk about Whiteville, NC, which was one of the areas in eastern North Carolina hardest hit by this flow of cheap goods into the United States. Margie Brown is 47 years old. She had a good job working at Jasper Textiles in Whiteville, NC. She made just under \$200 a week. She depended on it. Her family depended on the income from that job. It is what she was trained to do; it is what she knew how to do; and she felt good about what she did.

As a result of that plant being closed down, the reality exists all over North Carolina. In many cases there is no work for these folks; they have no comparable employment. There is nothing they can do with the education and the job training they have.

So she had nowhere to go. Today, instead of having a job she is proud of, being able to support her family, feeling good about going to work every day and doing the things that made her productive as an American citizen, she is on unemployment and she gets \$51 a week.

My point is that these are real people. These are real families, and the impact on them is devastating. We can't turn our heads on this. This is not hypothetical. This is not some theoretical thing we are talking about. It is all well and good for us to talk abstractly on the floor of the Senate about trade being good, about, in this case, this having some diffuse benefit to our country as a whole, but there are real people whose lives are being devastated by these trade agreements, real people who have nowhere to go to work tomorrow, who have no way of taking care of their families and who have lost all semblance of self-esteem.

These people, who oftentimes worked in textile mills for 20, 30, or 40 years—I do have to say at this point my dad worked in a cotton mill basically his whole life. During the summers, in high school and college, and then in law school, I saw firsthand the people who spent their whole lives in these textile mills and these cotton mills. They do not know anything else.

We can talk about the technological world we now live in and how these people have to make a transition because the world is changing. The reality is, many of them are 50 or 60 years old and have spent their whole life working in the mill. They have nowhere to go. They have no idea what to do about their families. They are put on the street after working every day for the last 30 or 40 years. What do they say to their kids? What do they say to their spouses about what they are going to do?

My point is that these trade agreements have a real impact on real people's lives, and we all have to recognize it. In fact, this particular agreement is going to do nothing but accelerate the

problem. The Margie Browns I just described will be all over North Carolina and the southern United States.

The reason is very simple: The average apparel wage in the United States is \$8 an hour.

Of some of the countries that are covered by this agreement: In Mexico the average wage is 85 cents an hour; the Dominican Republic, 69 cents an hour; El Salvador, 59 cents an hour; Guatemala, 65 cents an hour; and, Honduras, 43 cents an hour.

You don't have to be a mathematical wizard to figure out that there is no way for American workers under these circumstances to compete, and there is no way they are going to keep their jobs.

What will happen is China is going to ship goods through Africa. In all likelihood, there will be massive transshipping with no way to stop it, no way to detect it, and no way to enforce the antitransshipment provisions of this bill. As a result, people all over North Carolina and the United States are going to lose their jobs.

We are playing with fire. I said this when we debated the bill last fall. I say it again. The only thing that has changed is the fire has gotten hotter. It has gotten more dangerous.

There are more American workers whose jobs are going to be lost, and this conference report it does not meet the fundamental principles of equity, the principles that ought to apply to every trade agreement, the principles that are needed to protect our businesses and our textile workers in the United States.

They are perfectly willing to compete. They just want the chance to compete on a level playing field. The other countries aren't lowering their barriers. We are. We know there are going to be goods transshipped through Africa from China and other places. And there is no way to prepare for that. The net result is this is not an abstract thing. Real people, real families, lives and jobs are about to be changed.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, thank you very much. I ask unanimous consent that I be allowed to speak in morning business for up to 15 minutes.

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

Mr. GRAMS. Thank you very much, Mr. President.

#### PARK SERVICE SNOWMOBILE BAN

Mr. GRAMS. Mr. President, I want to take a few minutes today to talk about the Department of Interior's recent decision to ban snowmobiling in most units of the National Park System.

While the Interior Department's recent decision will not ban snowmobiling in Minnesota's Voyageurs National Park, it will impact snowmobiling in at least two units of the Park System in my home state—Grand Portage National Monument and

the St. Croix National Scenic Riverway. In addition, this decision will greatly impact Minnesotans who enjoy snowmobiling, not only in Minnesota, but in many of our National Parks, particularly in the western part of our country.

When I think of snowmobiling in Minnesota, I think of families and friends. I think of people who come together on their free time to enjoy the wonders of Minnesota in a way no other form of transportation allows them. I also think of the fact that in many instances snowmobiles in Minnesota are used for much more than just recreation. For some, they're a mode of transportation when snow blankets our state. For others, snowmobiles provide a mode of search and rescue activity. Whatever the reason, snowmobiles are an extremely important aspect of commerce, travel, recreation, and safety in my home state.

Minnesota, right now, is home to over 280,000 registered snowmobiles and 20,000 miles of snowmobile trails. According to the Minnesota United Snowmobilers Association, an association with over 51,000 individual members, Minnesota's 311 snowmobile riding clubs raised \$264,000 for charity in 1998 alone. Snowmobiling creates over 6,600 jobs and \$645 million of economic activity in Minnesota. Minnesota is home to two major snowmobile manufacturers—Arctic Cat and Polaris. And yes, I enjoy my own snowmobiles.

People who enjoy snowmobiling come from all walks of life. They're farmers, lawyers, nurses, construction workers, loggers, and miners. They're men, women, and young adults. They're people who enjoy the outdoors, time with their families, and the recreational opportunities our diverse climate offers. These are people who not only enjoy the natural resources through which they ride, but understand the important balance between enjoying and conserving our natural resources.

Just three years ago, I took part in a snowmobile ride through a number of cities and trails in northern Minnesota. While our ride didn't take us through a unit of the National Park Service, it did take us through parks, forests, and trails that sustain a diverse amount of plant and animal species. I talked with my fellow riders and I learned a great deal about the work their snowmobile clubs undertake to conserve natural resources, respect the integrity of the land upon which they ride, and educate their members about the need to ride responsibly.

The time I spent with these individuals and the time I've spent on my own snowmobiles have given me a great respect for both the quality and enjoyment of the recreational experience and the need to ride responsibly and safely. They've also given me reason to strongly disagree with the approach the Park Service has chosen in banning snowmobiles from our National Parks.

I was stunned to read of the severity of the Park Service's ban and the rhetoric used by Assistant Secretary Donald J. Barry in announcing the ban. In the announcement, Assistant Secretary Barry said, "The time has come for the National Park Service to pull in its welcome mat for recreational snowmobiling." He went on to say that snowmobiles were, "machines that are no longer welcome in our national parks." These are not the words of someone who is approaching a sensitive issue in a thoughtful way. These are the words of a bureaucrat whose agenda has been handwritten for him by those opposed to snowmobiling.

The last time I checked, Congress is supposed to be setting the agenda of the federal agencies. The last time I checked, Congress should be determining who is and is not welcome on our federal lands. And the last time I checked, the American people own our public lands—not the Clinton Administration and certainly not Donald J. Barry.

In light of such brazenness, it's amazing to me that this Administration, and some of my colleagues in Congress, question our objections to efforts that would allow the federal government to purchase even larger tracts of private land. If we were dealing with federal land managers who considered the intent of Congress, who worked with local officials, or who listened to the concerns of those most impacted by federal land-use decisions, we might be more inclined to consider their efforts. But when this Administration, time and again, thumbs its nose at Congress and acts repeatedly against the will of local officials and American citizens, it is little wonder that some in Congress might not want to turn over more private land to this Administration.

I can't begin to count the rules, regulations, and executive orders this Administration has undertaken without even the most minimal consideration for Congress or local officials. It has happened in state after state, to Democrats and Republicans, and with little or no regard for the rule or the intent of law. I want to quote Interior Secretary Bruce Babbitt from an article in the *National Journal*, dated May 22, 1999. In the article, Secretary Babbitt was quoted as saying:

When I got to town, what I didn't know was that we didn't need more legislation. But we looked around and saw we had authority to regulate grazing policies. It took 18 months to draft new grazing regulations. On mining, we have also found that we already had authority over, well, probably two-thirds of the issues in contention. We've switched the rules of the game. We're not trying to do anything legislatively.

In other words, an end run of Congress, which is an end run of the American people.

That is a remarkable statement by an extremely candid man, and his intent to work around Congress is clearly reflected in this most recent decision. Clearly, Secretary Babbitt and his staff felt the rules that they've created

allow them to "pull the welcome mat for recreational users" to our national parks.

As further evidence of this Administration's abuse of Congress—and therefore of the American people—Environmental Protection Agency Administrator Carol Browner was quoted in the same article as saying:

We completely understand all of the executive tools that are available to us—And boy do we use them.

So it is handy for them to avoid the legislative route, to avoid coming through Congress; they do it through executive orders and mandates.

While Ms. Browner's words strongly imply an intent to work around Congress, at least she did not join Secretary Babbitt in coming right out and admitting it.

I for one am getting a little sick and tired of watching this Administration force park users out of their parks, steal land from our states and counties, impose costly new regulations on farmers and businesses without scientific justification, and force Congress to become a spectator on many of the most controversial and important issues before the American people.

It's getting to the point where I'm not sure what to tell my constituents. I've been on the phone with snowmobilers in Minnesota and they ask what can be done. I start to explain that because of the filibuster in the Senate and the President's ability to veto, it will be difficult for Congress to take any action. I've found myself saying that a lot lately. Whether it's regulations on Total Maximum Daily Loads, efforts to put 50 million acres of forests in wilderness, or new rules to regulate a worker's house should they choose to work at home, this Administration just doesn't respect the legislative process or the role of Congress. Nor does this Administration respect the jobs, traditions, cultures, of lifestyles of millions of Americans. If you're an American who has yet to be negatively impacted by the actions of this Administration, just wait your turn because you were evidently at the end of the list. Sooner or later, if they get their way in the next few months, they're going to kill your job, render your private property unusable, and ban you from accessing public lands that have been accessible for generations.

Regrettably, many of us in Congress are now left with the proposition of telling our constituents that we must wait for a new Administration. I have to tell them that this Administration is on its way out the door and they're employing a scorched earth exit strategy. And I have to warn them that the situation could get worse if a certain Vice President finds himself residing at 1600 Pennsylvania Avenue next year.

I have to admit, there's nothing pleasurable about telling your constituents to wait until next year. I think it's important to remember that, as Senators, we are the representatives

of every one of our constituents. When I have to tell a constituent that Congress has lost its power to act on this matter, I'm actually telling that constituent that he or she has lost their power on this matter. When I have to tell a snowmobiler that the Administration doesn't care what Congress has to say about snowmobiling in national parks, I am really telling him or her that the Administration doesn't care what the American people have to say about snowmobiling in national parks. Congress did not get a chance to debate it or to represent the people back home. I doubt any of us could've said that any better than Donald J. Barry said it himself.

When forging public policy, those of us in Congress often have to consider the opinions of the state and local officials who are most impacted. If I'm going to support an action on public land, I usually contact the state and local officials who represent the area to see what they have to say. I know that if I don't get their perspective, I might miss a detail that could improve my efforts. I also know that the local officials can tell me if my efforts are necessary or if they're misplaced. They can alert me to areas where I need to forge a broader consensus and of ways in which my efforts might actually hurt the people I represent. I think that is a prudent way to forge public policy and a fair way to deal with state and local officials.

I know, however, that no one from the Park Service ever contacted me to see how I felt about banning snowmobiling in Park Service units in Minnesota. I was never consulted on snowmobile usage in Minnesota or on any complaints that I might have received from my constituents. While I've not checked with every local official in Minnesota, not one local official has called me to say that the Park Service contacted them. In fact, while I knew the Park Service was considering taking action to curb snowmobile usage in some Parks, I had no idea the Park Service was considering an action so broad, and so extreme, nor did I think they would issue it this quickly. I do not think any local officials thought this would happen. I know those involved in the snowmobile industry had no idea, while talking with this administration, this was going to come down. It was a shot out of the blue.

I believe this quick overreaching by the Park Service was unwarranted. It did not allow time for Federal, State, or local officials to work together on this issue. It did not bring snowmobile users to the table to discuss the impact of this decision on them. It did not allow time for Congress and the administration to look at all of the available options or to differentiate between parks with heavy snowmobile usage and those with occasional usage. This decision stands as a dramatic example of how not to conduct policy formation and formulation. It is an affront to the

consideration American citizens deserve from their elected officials.

I would like to repeat that. This decision stands as a very dramatic example of how not to conduct policy formulation and is an affront to the consideration that I believe American citizens deserve from their elected officials.

I hope we take a hard look at this decision and call the administration before Senate committees for hearings. I believe there has been one scheduled. Senator CRAIG THOMAS, I believe, will be holding such a hearing on May 25 to try to bring some administration officials before Congress and to ask some very simple questions: Why was this

action taken? I have long believed we can have an impact on these matters by holding strong oversight hearings and by forcing the administration to be accountable for their actions. We cannot, however, simply stand by and watch as this administration continues its quest, in its final, waning days, for even greater power, power that will come at the expense of the deliberative, legislative process envisioned by the founders of this country.

Secretary Babbitt, Administrator Browner, and Donald J. Barry may believe they are above working with this Congress. But only we can make sure that they are reminded, and we can do

it in the strongest possible terms, that when they neglect Congress they are neglecting the American people.

I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M.  
TOMORROW

The PRESIDING OFFICER. The Senate, under the previous order, stands adjourned until 9:30 a.m., Thursday, May 11, 2000.

Thereupon, the Senate, at 6:32 p.m., adjourned until Thursday, May 11, 2000, at 9:30 a.m.